

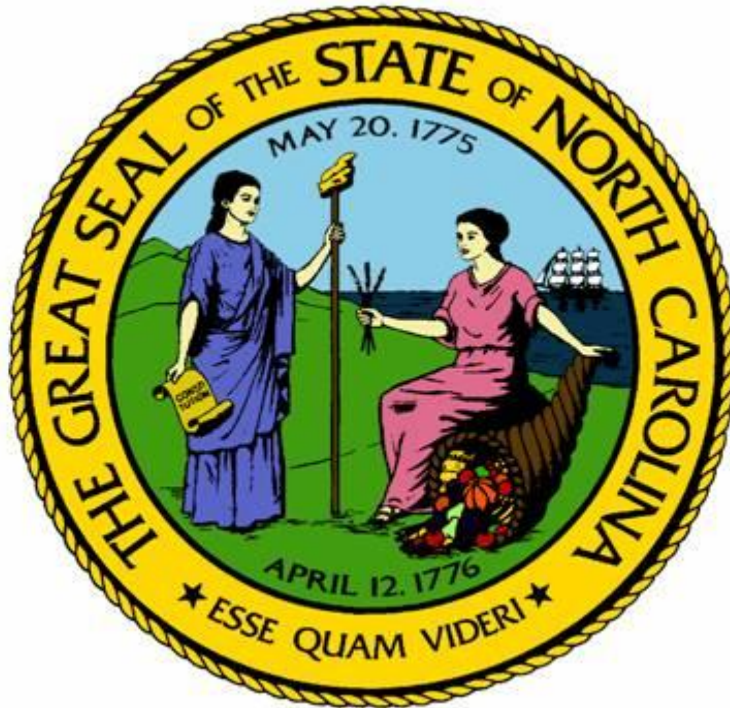
OFFICE OF STATE BUDGET AND MANAGEMENT

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State of North Carolina NCGrants Online Reporting User's Manual



<http://www.osbm.state.nc.us>

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NCGRANTS USER’S MANUAL
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Effective Date September 1, 2009

Updated January 7, 2013

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Section A

Frequently Asked Questions

Regarding Use of

The NCGrants Online Reporting System

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FREQUENTLY ASKED QUESTIONS

I. General Issues

1. Will a grantee that has already submitted its 2007 reports in hard copy be required to report on-line?

No, OSBM will update the system to reflect "Hard Copy Submitted" for all 2007 reports already filed in hard copy by the grantees.

2. Is the information reported in NCGrants real-time?

Yes. NCGrants is a real-time system. Grantors **should enter awards within 30 days of the award date**. The disbursements will be updated monthly. Reporting by grantees remains on an annual basis based on the grantee's fiscal year end.

3. When should grant information be entered in NCGrants?

Each grantee **MUST** file its annual reports within the statutorily established time frames. A grantee's reporting date is determined by its fiscal year end and the total funding received **directly** from all State agencies.

- For those grantees receiving less than \$500,000, the due date is 6 months from their fiscal year end.
- For those receiving \$500,000 or more, the due date is 9 months from their fiscal year end plus they must submit a yellow book audit.

Grantees will automatically be placed on the noncompliance list if reports have not been entered online at www.NCGrants.gov by the required due date. After 60 days on the noncompliance list, the grantee will then be placed on the Suspension of Funding List, which will be issued monthly.

4. How long will the grantee's information be kept in the NCGrants system?

NCGrants will contain grants data from the 2007 fiscal year forward.

5. Is the Overdue Tax Form included in this system?

No, NCGrants does not contain the overdue tax form. Grantees should obtain the overdue tax form from grantors at the time they enter into a grant contract. G.S. 143C-6-23 requires that this form be completed at the time of the award and submitted to the funding agency as

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part of the contract, not to OSBM. The form should be part of the award contract for each year.

6. What happens when grantees merge into one entity but the remaining entity still uses the multiple tax ID's to receive funding?

When grantees merge, each of the initial entities is responsible for completing any required annual reports for any grants that each received prior to the merge. The responsible party as far as the State is concerned is the entity that signed the grant contract. Neither OSBM nor the funding agency has the authority to accept reporting on any period of time other than the original grantee's fiscal year.

7. Will sub-grantees be required to report online?

Right now, only the DIRECT grantee is required to submit annual reports online to NCGrants. However, if the direct grantee does subgrant funds, the direct grantee is required to list the name, program, and amount of the subgrant on the Grants Compliance form. Subgrantees must continue to submit hard copies of their reports to the grantee that disbursed the subgrant funds to them. The direct grantee must report on all grant funds it received, including any funds it subgrants.

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II. Disbursements

8. How often will disbursement data be entered into NCGrants?

OSBM will work with the Office of the State Controller to download the disbursements data monthly from the North Carolina Accounting System (NCAS). Funding agencies that do not use NCAS will input their disbursement data directly into NCGrants at least monthly.

9. How long does a grantee that no longer has grants or that has closed stay on the Suspension of Funding List?

A grantee will stay on the Suspension of Funding List until it has come into compliance or satisfied the conditions to be removed from the Suspension of Funding List. Once a grantee is on the Suspension of Funding List, it cannot receive payments to any of its current grants or be awarded another grant until the corrective actions as defined by OSBM have been achieved.

10. If a grantee is noncompliant, will it be possible to see which grant reports are missing?

Yes, NCGrants is set up to show each grantee the specific grants on which it must report. When the grantee logs in, NCGrants will automatically display a summary page showing each grant and the specific annual reports that must be completed. Any that have not been completed and submitted online by the grantee's due date will say "Not Submitted". Those that have been completed and submitted will say "Submitted".

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III. Using Standard NCGrants Reports

11. How often will the Suspension of Funding List be updated?

Although data in NCGrants is real-time, the Suspension of Funding List is updated weekly and posted to the OSBM website. Look for a new list near the beginning of each week. Each list that is released is comprehensive, containing all additions and removals that have occurred since the previous week's list.

12. How long does a grantee that no longer has grants or that has closed stay on the Suspension of Funding List?

A grantee will stay on the Suspension of Funding List until it has come into compliance or satisfied the conditions to be removed from the Suspension of Funding List. Once a grantee is on the Suspension of Funding List, it cannot receive any money from its current granting agencies or receive another grant until the corrective actions as defined by OSBM have been achieved.

13. If a grantee is noncompliant, will it be possible to see which grant reports are missing?

Yes, NCGrants is set up to show for each grantee the specific grants it must report on. When the grantee logs in, NCGrants will automatically display a summary page showing each grant and the specific annual reports that must be completed. Any that have not been completed and submitted online by the grantee's due date will say "Not Submitted." Those that have been completed and submitted will say "Submitted."

14. Can I download grant information from NCGrants to my computer?

Yes, you can export any standard report to your computer in a comma separated value (CSV) format and save.

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IV. NCID Questions

15. Do I need an NCID password to do an inquiry from NCGrants?

Yes, you need an NCID to enter and access data from NCGrants. Information on grants is available to the public through the NC OpenBook website at <http://www.ncopenbook.gov/>.

16. Is there another security level after logging into NCGrants using my NCID?

There is no other log in required for NCGrants. After receiving an email from the NCGrants technical administrator granting you access to NCGrants, the next time you log in, NCGrants will automatically allow you to access your agency's grantee data.

17. Can I use my Beacon NCID to access NCGrants?

If you are a State employee and have obtained an NCID for the Beacon project, you will use the same NCID for logging into NCGrants as a grantor.

18. Who should I contact if I have a question about NCID?

You should contact the NCID help desk at (919) 754-6000 or toll free at (800) 722-3946.

19. Are state agencies responsible for informing their grantees about NCID?

Yes, but information about how to create an NCID and password is also available in the Grantee's User Manual for NCGrants.

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V. Grantor Issues

20. How can I determine the number assigned to my state agency?

The Office of the State Controller has assigned specific numbers to each agency. NCGrants will be pre-programmed with those numbers. When you log in as a grantor, the agency drop down box will show your agency number. A grantor can obtain a listing of those designations from the Office of the State Controller.

21. Who at the state agencies will be responsible for providing grant information for the database?

Each funding agency will need to decide who has responsibility for initially setting up grants in NCGrants, as well as who will review and accept/reject reports submitted by the grantees. Once you decide, the name(s) of this person should be reported to OSBM as your primary contact.

22. Will State agencies be responsible for entering grants award data into NCGrants?

Yes, each agency must "establish" its grants for each cycle by entering the award information (amount, duration) into NCGrants. For 2008 forward, agencies will establish their grants each cycle by entering this data. The grantee's identifying data (name, tax ID, address, etc.) will already be in NCGrants for any grantee that has received grants in either SFY 2006 or 2007. However, your grantor screen allows you to update and change data as necessary, with the exception that you cannot delete a grantee. You will need to send the NCGrants administrator an email requesting that a grantee be deleted with details on why the change is needed.

23. If a grant award amount changes, who is responsible for changing the award amount?

The grantor will be responsible for making the changes through the "edit grant" screen.

24. Do federal reimbursements need to be reported by the state agencies, since they are not true grants?

G.S. 143C-6-23 requires that all State and Federal pass-through grants be included in the annual reports from grantees. Each funding agency is responsible for determining for each contract whether it is awarding a grant or simply purchasing a service. If the funding agency determines that the funds are a grant, then even if they are federal funds, they would be included in the reporting. Many of the federal programs are designated as grants at the federal level. This would carry through to the State level.

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25. Who will be responsible for reviewing the reports after the grantee has entered the reporting information in NCGrants? Will grantors have to certify that we have reviewed the reports on-line?

Each funding agency MUST review the reports submitted by its grantees and accept or reject each report. This review is required under G.S. 143C-6-23.

Currently, the email function to notify grantors that reports have been filed is not active. Grantors should continue to keep a list of due dates for your grantees and periodically run the "Grantee Reports for Review" report on NCGrants to determine whether the required reports have been filed on time.

26. Is it the state agency's responsibility to reconcile to NCAS?

Disbursements entered into NCAS should follow the rules and regulations set up by the Office of the State Controller. The establishment of the Grant Contract # in NCAS and in NCGrants serves the purpose of allowing disbursements to be posted to each individual grant. Of course, the process works only when the grant award is properly set up in NCGrants and when the accounts payable person at each agency enters the correct Grant Contract # in NCAS.

27. If grant payments are downloaded from NCAS, when do the state agencies that are on NCAS use the "grant payment" link?

Funding agencies that use NCAS will not use the grants payment link because the information is coming from NCAS. The "grant payments" function will give you a list of all grants that you have awarded the grantee in question showing the individual payments that have been posted to each grant. You will use this function to help you reconcile any differences in receipts shown on the grantee's forms. Should a payment fail to make it into the system from the NCAS upload, you will need to add that payment via this screen.

28. Will State agencies not on NCAS be required to enter their monthly grant disbursements on-line?

In order for NCGrants to function as intended, all disbursements data MUST be entered monthly. For any agency not on NCAS, or for one of the quasi-State entities, you have the ability to enter your disbursements directly via the grant payments function.

29. How long are state agencies required to retain reports?

Funding agencies should retain grantee reports for at least 5 years from the close of the grant since grantees are required to maintain the supporting documentation for grants for that period. However, the actual grantee reports will be available in NCGrants from 2007 forward.

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30. In terms of the award amount, how do you approach the issue of 3-year grants?

Enter the total amount being awarded for the three year period. When setting up the grant award, the grantor is asked to enter a “completion date” on the award grant screen. Reports will generate for each fiscal year in which the grantee receives funds. The grantee will report on the cash basis what it actually received during each of its fiscal years.

31. If a grantee is inactive, can a state agency access the grantee's information after 3 years?

Yes, any entity that is no longer active will be flagged as “inactive.” However, the data from 2007 forward will remain in NCGrants indefinitely and can be accessed at any point in time.

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Section B

NCGrants Online Reporting

User Instructions

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GENERAL INSTRUCTIONS FOR NCGRANTS GRANTOR USERS

Background: G.S. 143C-6-23 requires every nongovernmental entity that receives State or Federal pass-through grant funds **DIRECTLY FROM A STATE AGENCY** to file annual reports on how those grant funds were used. There are 3 reporting levels with differing forms to be completed at each level:

- Level 1: Less than \$25,000
- Level 2: Between \$25,000 and \$500,000
- Level 3 Over \$500,000

09 NCAC 03M .0401 AGENCY RESPONSIBILITIES requires that funding State agencies must determine that the applicable reporting requirements have been met by their grantees and that all reports have been completed and submitted. As such, each funding agency is responsible for reviewing grantee reports submitted online for completeness and accuracy. If the funding agency determines the reports have been completed inaccurately, it must contact reject the report so that the grantee can correct and resubmit.

NCGrants has been created to make annual reporting faster, easier, and more economical for all parties involved. The forms contained in NCGrants are the same forms that grantees have been using since 2006.

Beginning September 1, 2009, hard copy forms will no longer be accepted. Grantees must file reports online at www.NCGrants.gov. For any grantees that do not have internet access, free computer and internet resources are available at most public libraries. Grantors should direct grantees to their nearest local library. A listing of local libraries is available from the State Library of North Carolina: <http://statelibrary.ncdcr.gov/ld/ld.htm>.

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DIFFERENTIATING BETWEEN A GRANT AND A PURCHASE OF SERVICE

Federal, State, and local governments provide funding to organizations to obtain or provide for a variety of activities. An organization can be classified into one of two relationship/arrangement categories:

1. Financial Assistance (Grant) Relationship/Arrangement, where the organization is either a
 - a. Direct funding recipient
 - b. Pass-through funding recipient
2. Vendor (Purchase of Services) Relationship/Arrangement, where the organization has an arrangement for the purchase of goods and/or services.

Making the proper determination of the type of relationship that exists is important because activities performed within financial assistance (grant) relationships/arrangements are generally subject to more oversight and regulatory guidance than activities performed within a vendor (purchase of services) relationship/arrangement. In making the determination of whether a financial assistance or vendor relationship exists, the substance of the relationship is more important than the form of the agreement.

A recipient/subrecipient is distinguished from a vendor (purchase of service activity) by the degree of responsibility assumed to meet the requirements of the program.

Financial assistance (grant) arrangement characteristics:

- The recipient/subrecipient receives funding to carry out or administer a program.
- A recipient/subrecipient may be responsible for determining who is eligible for participation in a program by applying pre-determined eligibility requirements.
- A recipient/subrecipient is responsible for making programmatic decisions and its performance is measured against meeting the program objectives.
- There generally is an interest in how program funds are expended.
- Program benefits are being provided to a targeted population identified in the objectives.
- A recipient/subrecipient has the responsibility for adherence to applicable program compliance requirements.
- Recipient/subrecipients may have cost reimbursement contracts/grants; however, it is possible for them to have a fee/rate per unit of service arrangement.

Vendor arrangement (purchase of services/goods) characteristics:

- A vendor is measured against the terms of its contract.
- Goods must meet certain specifications and services are measured against certain quality standards.
- A vendor generally provides the goods and services within its normal business operations and to many different purchasers.
- A vendor operates in a competitive environment and once a pre-determined unit price has been established in a contract, usually there is no interest by the purchaser in how the vendor expends funds in meeting the vendor's obligations under the terms of the contract.

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- In a vendor arrangement, the goods or services provided are auxiliary to the operation of the program.
- A vendor would not be subject to meeting program compliance requirements.

The following worksheet is provided to further assist you in making the proper determination of the relationship/arrangement that exists between your agency and an organization. The list of determination factors is based on the above characteristics. This list is not intended to be all-inclusive; however, the answers to the questions should offer guidance in distinguishing between a financial assistance arrangement and a purchase of service.

There may be unusual circumstances or exceptions to the characteristics listed below as well as other factors that should be considered in the decision. The determination should be made only after weighing all factors relative to the contract. All factors do not carry the same weight. For instance, the provision of administrative functions, determination of eligibility, or the public purpose of the program generally carry much more weight and generally indicate that the arrangement should be classified as financial assistance.

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Instructions: Enter points indicated for each factor in either the yes or no column. Once the entire list has been completed, tally the points in each column. The column with the most points should be a good indicator of the designation of the organization – either Financial Assistance (Grant) or Vendor (Purchase of Service).			
Determination Factors		Financial Assistance	Purchase of Service
		Yes	No
1.	Does the contractor determine eligibility? (10 points)		
2.	Does the contractor provide administrative functions, such as:		
	• Develop program standards, procedures and rules? (5 points)		
	• Program Planning? (5 points)		
	• Monitoring? (5 points)		
	• Program Evaluation? (5 points)		
3.	Does the contractor have responsibility for program compliance? (5 points)		
4.	Is contractor performance measured against whether specific objectives are met? (5 points)		
5.	Does the contractor have responsibility for programmatic decision-making? (5 points)		
6.	Is the contractor objective to carry out a public purpose to support an overall program objective? (10 points)		
7.	Does the contractor have to submit a cost report to satisfy a cost reimbursement arrangement? (5 points)		
8.	Does the contractor have any obligation to the funding authority other than the delivery of the specified goods/services? (5 points)		
9.	Does the contractor operate in a noncompetitive environment? (5 points)		
10.	Does the contractor provide these or similar goods and/or services only to the funding agency? (5 points)		
11.	Does the contractor provide these or similar goods and/or services outside normal business operations? (5 points)		
TOTAL			

It is the responsibility of the funding agency to make the determination/classification for a contract.

Source: This document was put together using guidance as provided by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations, Subpart B, Section .210.*

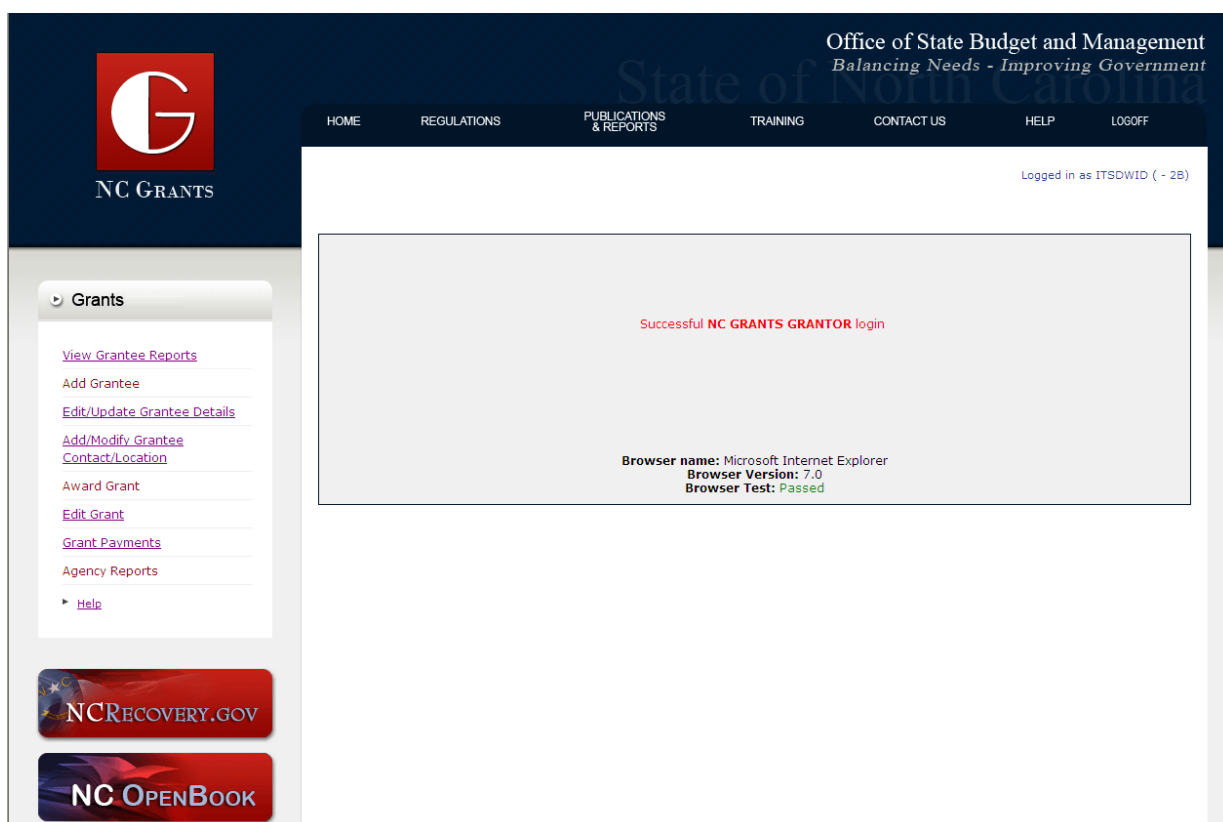
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DATA ENTRY FOR GRANTORS

1. Make sure to have your NCID and password. If you have questions, contact the NCID helpdesk at 1-800-722-3946.
2. Access NCGrants by going to <http://www.ncgrants.gov> and clicking on the link to “login” for online reporting. Once logged in, you will be able to view the required annual reports for your agency’s grantees or to make entries into or revisions to your agency’s grantee database.
3. Log in with NCID (login and password). **The first time you login to NCGrants, you will be directed to a form to request access to NCGrants.** Enter required data (such as agency name) and click “submit.” If you have successfully submitted your request for access you will see a screen indicating that you will receive a confirmation email from the NCGrants administrator when you have been granted access—usually within a few hours.
4. After receiving your email from the NCGrants administrator; log back in to NCGrants. Once you have logged in, you should see your “Successful Grantor login” page and your dashboard (see example below) listing the functions available to you as grantor. Please check the top of the screen to confirm you have been logged in correctly as your user name and agency name and code (set up by the Office of the State Controller). Ex: Logged in as jdoe (DHHS-Central Administration – 20).



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













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You are now ready to begin grantor functions:

- A. “View Grantee Reports”:** Select this function to review reports submitted by your grantee by entering the grantee’s tax ID number or selecting the grantee’s legal name from the dropdown list. The grantee’s dashboard (summary sheet) will open showing grantee information at the top, and a listing of grants for each of the grantee’s fiscal years. You should see a table or “dashboard” similar to the one shown below:

EXAMPLE: GRANTEE DASHBOARD

Logged in as JDOE (Example Grantee – 123456789)

2009 - LEVEL 1			
Agency	Grant	Certification Form	State Grants Compliance Reporting: < \$25,000
Public Health	Child and Adult Care Food Program 2008	 Submitted	 Work in Progress
2008 - LEVEL 1			
Agency	Grant	Certification Form	State Grants Compliance Reporting: < \$25,000
Public Health	Child and Adult Food Program	 Not Submitted	 Not Submitted
Public Health	Child and Adult Care Food Program 2008	 Not Submitted	 Not Submitted
2007 - LEVEL 1			
Agency	Grant	Certification Form	State Grants Compliance Reporting: < \$25,000
Public Health	Child and Adult Food Program	 Approved	 Approved
Public Health	Child and Adult Care Food Program 2008	 No Disbursements	 No Disbursements
2006 - LEVEL 1			
Agency	Grant	Certification Form	State Grants Compliance Reporting: < \$25,000
Public Health	Child and Adult Food Program	 Hard Copy Submitted	 Hard Copy Submitted
Public Health	Child & Adult Food Progr	 Hard Copy Submitted	 Hard Copy Submitted

* [Click here](#) to make requests to NC GRANTS Administrator

You can only view the forms. You cannot make any changes to these forms. To ensure accountability for reported information, it is necessary for the grantees to submit their own reports and make any required corrections.

Clicking on the folder icon or the text below the folder (work in progress, submitted, approved) will open the form. Only the forms showing “Submitted” have been completed and are ready for your review for approval or rejection. You can print out any of the forms. The grantee may go back and change the forms showing “work in progress” until they have been

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submitted. Once submitted, a form must be rejected by you or by an NCGrants administrator before the grantee can make edits.

The system requires grantors to approve or reject reports. Once you have reviewed the submitted forms, check the box at the bottom of the form for either “Grantor Approval” or “Grantor Rejection” and then click on the corresponding button to change the status of the form on the grantee’s dashboard. **If you reject a form, you will be required to include a reason for rejection in the text field that appears, so that the grantee knows what changes are required prior to resubmission.**

- B. “Add Grantee” function:** Select this function if you want to add a *new* grantee to your agency’s grantee database. You will add the grantee for your agency by clicking on the Add Grantee link. The first step in adding a grantee is to enter the federal tax identification number for the organization you are adding and clicking the “search” button. The grantee may be new to your agency, but may appear in the grants database as a grantee from another agency. The system will tell you if the grantee already exists or not.

NOTE: You cannot delete a grantee. If you have a grantee that needs to be deleted, send an email to the NCGrants administrator with the grantee’s name and tax ID along with the reason you want the grantee deleted. The only reason to delete a grantee would be if it falls into one of the exempt categories in the statute (individual, state agency, local government).

EXAMPLE: ADD GRANTEE SCREEN

The screenshot shows the "ADD GRANTEE" form in a web browser. The form has the following fields and controls:

- Federal Tax ID:** A text box containing "561497791" and a "Search" button.
- Legal Name:** An empty text box.
- Fiscal Year End Month:** A dropdown menu with "June" selected.
- Grantee Web URL:** An empty text box.
- For Profit/Non-Profit:** A dropdown menu with "Select from List" selected.
- Grantee Description:** A text area with a character count "Used of 500 allowed characters".
- Buttons:** "Clear All", "Next", and "Main Menu" at the bottom.

A pop-up window titled "Windows Internet Explorer" is overlaid on the form, displaying a yellow warning triangle icon and the message: "Grantee was found, and is named: Intermountain Children's Servi". An "OK" button is at the bottom of the pop-up.

- a. **If the grantee already exists in NCGrants** as another agency’s grantee, a pop-up box will appear indicating the grantee already exists, and the name will be listed (see above example). If this agrees with the information you have for the federal tax identification

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number, you will select “Award Grant” from the menu on the left hand side. Enter the grantee’s federal tax identification number and select the location and contact or add or modify those items.

- b. **If the organization does not already exist in NCGrants** as another agency’s grantee, a pop-up box will appear indicating the grantee was NOT found and must be added. There are new items that must be obtained from the grantee prior to setting up a new grantee:

- ◇ grantee web URL (grantee’s web page address)
- ◇ grantee description (brief description of the grantee operations).

You will note that the description field has a counter to show you how many spaces are available and how many you have entered. Once you have all the data items required, you will enter the “Legal Name”, “Fiscal Year End”, “Grantee web URL”, indicate “for profit” or “non-profit”, and “Grantee Description” data fields and click the “Next” button. This will take you to the “add new location” screen. **Be sure you have the legal name, correct Tax ID, and grantee’s fiscal year end since your action will create the grantee file for the first time. All other agencies awarding grants to this grantee will be using the data you enter.**

- ◇ **“Add New Location”**: You are ready to enter the location information for the grantee you just added.

EXAMPLE: ADD LOCATION SCREEN

LIST OF LOCATIONS AND CONTACTS AVAILABLE FOR TEST GRANTEE						
ADD A NEW LOCATION						
Location Name	Street Address	City	County	State	Zipcode	Action
<input type="text"/>	<input type="text"/>	<input type="text"/>	(Out-of-state) ▼	North Carolina ▼	<input type="text"/>	<input type="button" value="Add"/>

- “Location Name” should identify the location; i.e., physical location, main office, mailing address, etc.
- “Street Address” should be the actual street location or the mailing address. NOTE: You may set up both a street address and a mailing address for the same grantee by simply adding the second one on this same screen.
- “County” is the county of location for the grantee and can be selected from the drop down list, or you can type in the first letter of the county name and the system will go to that county. For example: if the county is Wake, you can type in W and the system will move to Wake.
- Enter “Zip Code” and hit “Add New Location.” The system will say “processing” and when it is done, will come back with the message “location added successfully” and will show you the location information you just

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added, allowing you to “Update” or “Delete.” It will then ask you to enter the contact associated with this location.

EXAMPLE: ADD LOCATION/CONTACT SCREEN

LIST OF LOCATIONS AND CONTACTS AVAILABLE FOR TEST GRANTEE							
Location Added Successfully							
1.	Location Name	Street Address	City	County	State	Zipcode	Action
	<input type="text" value="main office"/>	<input type="text" value="123 Main St"/>	<input type="text" value="Raleigh"/>	<input type="text" value="Wake"/>	<input type="text" value="NC"/>	<input type="text" value="27699"/>	<input type="button" value="Update"/>
Contact Name	Title	Contact Description	Contact Phone	Contact Email	Active	Action	
ADD NEW CONTACT							
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="button" value="Add"/>	
ADD A NEW LOCATION							
Location Name	Street Address	City	County	State	Zipcode	Action	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="(Out-of-state)"/>	<input type="text" value="North Carolina"/>	<input type="text"/>	<input type="button" value="Add"/>	

◇ **“Add Contact”**: Each location should have a contact associated with it.

- “Contact Name” should be the contact’s name for this location.
- “Title” should be the contact’s title.
- “Contact Description” should be an identifier that lets you know who this contact is. For example, main contact, program director, DHHS grant contact, etc.
- “Contact Phone” is the current phone number including area code for the contact.
- **“Contact Email” is vitally important to enter since this information will identify who will receive emails regarding information entered in NCGrants. This is how you and the NCGrants Administrator will contact the grantee.**
- Click “Add New Contact”. The system will say “processing” and when it is done, will come back with the message “contact added successfully”. The location and contact information will show so that you can review it. Again, you have the option to “update” or “delete”. You can also add additional contacts by continuing to enter the information.
- When you have the contact(s) entered for your location, click “main menu.” You have completed adding a new grantee, location, and contact.

C. “Award Grant” function: Select this function each time your agency awards a new grant to an existing grantee, or a new grantee that you just added, in order to capture all grants award information. All fields **MUST** be completed before you can submit.

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- a. Once you have selected the “Award Grant” function, the next step is to enter the grantee’s federal tax identification number and click “search.”
- b. If the grantee is not already in the system, you will go back to the “Add a Grantee” function and begin the steps listed above.
- c. If the grantee is already in the system, you will see “grantee was found and named.....” At that time you will need to click the “Select Location & Contact” button. Confirm that the information shown is the appropriate information for your grant award.
 - ◇ If the location and contact shown are correct, then click “select contact” button which will populate those fields on the award grant screen.
 - ◇ If this is not the appropriate information for your agency’s grant, click “Add/Modify Contacts/Locations” to add a new contact or location.
- d. Once the location and contact information has been entered and/or verified, please select the “Award Date” and enter that information in the appropriate data field.
- e. “Completion Date” is a new field that you must enter for any SFY2009 award forward.
- f. Next please enter the total amount of the grant you are awarding. Do not enter “\$”, or “,” but you may enter cents. So, if the award is \$1,234.56, you would enter “1234.56.”
- g. Next please enter the appropriate “Program Name” for which the grant is being awarded. Your program name should contain the state fiscal year of the award. For example, you would enter “Child and Adult Food Program – 2009.” **Do not use abbreviations or acronyms as this information will be on NC OpenBook and should be easily understood by the public. The program name entered into NCGrants should be consistent with the program name as entered in the CRIS website.**
- h. In the next data field, please select the appropriate “Service Type” from the drop-down menu. The service type designations are the ones we have been using for the past few years. Remember, this category refers to the specific grant program for which you are entering the data, not the grantee organization as a whole.
- i. “Transaction Type” is a new field required for NC OpenBook. The drop down list gives you the same choices that you have when you set up your grant information in the CRIS database.
- j. The “Grant Contract Number” is no longer required. Please leave this field blank.
- k. “DUNS Number” is a unique 9 digit number that each grantee will have to set up prior to receiving state grants in the future. This number is being required to meet NC OpenBook requirements and reporting for federal stimulus funds.
- l. “CRIS Number” is the number used to identify the type of grant in the CRIS database.
- m. “Federal Award ID” is the federal contract or award number assigned for any federal grant funds. If this is not a federal grant, then enter “n/a.”
- n. Next please select the appropriate “Funding Source” from the drop down menu in the “Funding Source” data field. Your options should include Federal, State, or Federal/State. We do not need to know the percentage of a shared funding for a grant, only if it is shared.

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- o. Use the “Specific Restriction” data field to record specific prohibited uses of the grant funds. This data will pre-populate the appropriate questions on the grantee's reports. This will force the grantee to respond relative to those restrictions. Example of restriction: Grant may not be used for capital purchases. If the contract does not explicitly state specific restrictions then the grantor should enter the intended / allowable use of the grant funds in this field.
- p. “County of Service” is a new field required for both NC OpenBook and federal stimulus reporting. This should be the county where the service is actually provided. For example, if the grantee provides parenting classes in Onslow County, where it is located, for clients from Onslow, Jones, Duplin and Pender counties, you would list Onslow as the county of service. However, if the grantee located in Onslow County provides parenting classes in a location in Jones County, the county of service would be Jones. If the grantee will provide services in multiple counties, please enter each county where services are to be provided. After entering the first county, click the “more” link and another box will appear for you to select a different county. Repeat these steps until all counties are listed.

EXAMPLE: ADDING MULTIPLE COUNTIES

Please select the Counties of Service associated with this Grant

1. Hertford [More](#)

2. Select from List [More](#)

- q. “ARRA Flag” let’s you note whether the funds are part of the American Recovery and Reinvestment Act of 2009. These funds have to be specifically identified for accounting purposes.
 - r. “Expected Outcomes” is a new field required for both NC OpenBook and federal stimulus reporting. Example of expected outcomes: Establish a health screening program for disadvantaged youths between ages 12 and 15 in Wake County to serve 250 clients.
 - s. “Optional Agency Internal” is a field where each agency can enter any identifying data that will allow you to better track the grant awards. If you do not wish to use the field, enter “n/a.”
- D. “Edit Grant” function:** This is a new function that allows grantors to edit any of the award grant fields. Choosing “edit grant” will open up a screen where you can search for all grants you have awarded a particular grantee by entering the grantee’s tax ID. Or, you can search for the specific grant that you want to edit by entering the Grant Contract Number or the Grant ID (which is generated by NCGrants when the grant is awarded in the system). While you can edit any of the grant data that you have set up, you cannot delete a grant. To delete, send an email to the NCGrants administrator giving the grantee name, tax ID, grant contract number and grant ID of the grant to be deleted.

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EXAMPLE: SEARCH GRANT TO EDIT SCREEN

SEARCH A GRANT TO EDIT

USING GRANT ID

Grant ID:

USING GRANTEE TAX ID

Grantee Federal Tax ID:

USING GRANT CONTRACT NUMBER

Grant Contract No:

- a. Entering the tax ID will bring up a listing of all grants that you have awarded to this grantee through NCGrants (see example A below). Click the “edit” button for the grant you wish to modify. This will open up the award grant screen where you can change any of the information. Once you have changed all data you need to, click “update” at the bottom of that screen.

EXAMPLE A: EDIT GRANT SCREEN SEARCHED BY TAX ID

GRANT ID	PROGRAM NAME	AWARD DATE	CONTRACT NUMBER	LAST MODIFIED	LAST MODIFIED BY	ACTION	
29627	Volunteer Fire Department Fund	06/01/2009	G20123390109VFD	03/03/2010	TBMOORE2	<input type="button" value="Edit"/>	<input type="button" value="Delete"/>
27237	Volunteer Rescue/EMS Fund	01/01/2009	G20122307009EMS	07/01/2009	tbmoore2	<input type="button" value="Edit"/>	<input type="button" value="Delete"/>

- b. Entering the grant contract number will bring up only the specific grant you want to edit (see example below). Click the “edit” button for the grant you wish to modify. This will open up the award grant screen where you can change any of the information. Once you have changed all data you need to, click “update” at the bottom of that screen.

EXAMPLE B: EDIT GRANT SCREEN SEARCHED BY GRANT CONTRACT #

GRANT ID	PROGRAM NAME	AWARD DATE	CONTRACT NUMBER	LAST MODIFIED	LAST MODIFIED BY	ACTION	
26158	Small Business Innovation Research 2009	04/06/2009	G30433003709SBR	04/06/2009	TBoydGuffe	<input type="button" value="Edit"/>	<input type="button" value="Delete"/>

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- c. Entering the grant ID will bring up only the specific grant you want to edit (see example below). Click the “edit” button for the grant you wish to modify. This will open up the award grant screen where you can change any of the information. Once you have changed all data you need to, click “update” at the bottom of that screen.

EXAMPLE C: EDIT GRANT SCREEN SEARCHED BY GRANT ID #

GRANT ID	PROGRAM NAME	AWARD DATE	CONTRACT NUMBER	LAST MODIFIED	LAST MODIFIED BY	ACTION	
30285	Volunteer Fire Department Fund	06/01/2009	G20123369909VFD	03/11/2010	TBMOORE2	<input type="button" value="Edit"/>	<input type="button" value="Delete"/>

- E. **“Grant Payments” function:** Grantors can use the “grant payments” function to see the individual payments that have been posted to each grant for your grantee. This information will help you resolve any questions from the grantee relative to the receipts shown on the grantee’s receipts and expenditures form. The first screen below shows you that you can select your grantee by name or by tax ID. Using the tax ID is the most accurate since grantees can have very similar names.

EXAMPLE: SELECT GRANTS PAYMENTS SCREEN

SELECT A GRANTEE

USING GRANTEE DROPDOWN

Grantee

USING GRANTEE TAX ID

Grantee Federal Tax ID

Once you submit from the selection screen, the NCGrants will show you a list of all grants you have awarded this grantee with the individual payments shown.

- a. **NCAS Agencies:** If you need to modify any of the payment data, you may do so by going to the grants payments screen.
- ◇ If you need to enter missing payments, please do so by typing **only the numeric value of the payment** (example: \$1,234.56 would be entered only as 1234.56) and selecting the date from the drop-down calendar. In the “Notes for Payment” section, please type “missing payment.” Please be mindful of the grantee’s fiscal year, as payment dates determine the year in which the grantee must report.

Effective July 1, 2010: those grants where activities span more than one of the grantee’s fiscal years, with all payments made during the first fiscal year but only part of the money

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expended during the first fiscal year will require the grantee to enter the balance in the “end of year balance” field, in order to automatically trigger a report for the second fiscal year.

- ◇ If you need to remove an invalid payment, you will need to “back out” the payment by entering the negative of the amount in question (example: a payment of 1234.56 needs to be removed. You would enter -1234.56). You will also need to make sure that you have the same date on your back out payment as the original payment. In the “Notes for Payment” section, please type “payment correction.”
- ◇ If you have several invalid payments that need removal, you may contact the NCGrants Administrators and have them completely removed from the system, rather than going through the back out process.

EXAMPLE: GRANT PAYMENTS SCREEN

Logged in as OSBMgrantor (Commerce - 43)

LIST OF GRANTS AVAILABLE FOR THIS GRANTEE			
PROGRAM NAME :: SBIR PROGRAM:: GRANT ID - 18936 :: NC GRANTS CONTRACT # G30433001808INC			
PAYMENT HISTORY			
Payment Amount	Payment Date	Notes for Payment	Author NCID
3000.0	2008-03-01	n/a	COMMERCE08
NEW PAYMENT			
Payment Amount	Payment Date	Notes for Payment	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="button" value="Make Payment"/>
	(mm/dd/yyyy)		
PROGRAM NAME :: SMALL BUSINESS INNOVATION RESEARCH MATCHING PROGRAM 2009:: GRANT ID - 26580 :: NC GRANTS CONTRACT # G30433004509SBR			
PAYMENT HISTORY			
Payment Amount	Payment Date	Notes for Payment	Author NCID
56250.0	2009-05-01	n/a	MAY09R1
NEW PAYMENT			
Payment Amount	Payment Date	Notes for Payment	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="button" value="Make Payment"/>
	(mm/dd/yyyy)		

- b. **Non-NCAS Agencies:** Non-NCAS agencies can use the “grants payments” function to enter your disbursements directly into NCGrants. You can also modify your own payment data as needed. Be sure to enter the reason for any changes into the “Notes for Payments” field. Funding agencies not on NCAS should enter the previous month’s grant disbursements by the 5th day of each month. It is critical that we have this information so that NCGrants can properly compute the exact disbursements made to each grantee based on the grantee's fiscal year end, not the State's.

- F. **“Edit/Update Grantee Details”** allows you to change basic information about the grantee that you entered when you initially set up the grantee. Clicking this option opens the

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“view/update grantee” screen. Remember, any changes you make to the grantee’s basic information will change it for ALL grantors. Therefore, be sure that the information needs to be changed. For example, you have information that says the grantee’s fiscal year end is not 6/30 but rather 7/31. You can now change this data. If the grantee has other grantors (you can tell by going to “view grantee reports”, you should notify all grantors of any changes you make to the grantee’s identifying information.

- G. “Add/Modify Grantee Contact/Location” function:** Select this function if your grantee has a new or different address than the one shown in the database or if you need to add a new contact or modify the existing contact information (i.e., new email address). You may also select this function if you need to add an additional location or contact for a grantee already existing in your agency’s grantee database. Be sure to enter the physical address for the grantee and select submit when you are finished. You may enter multiple location and/or contacts for a single grantee. Remember that each location needs to have at least one contact associated with it.

EXAMPLE: ADD/MODIFY CONTACT/LOCATION SEARCH SCREEN

SEARCH A GRANTEE TO ADD/EDIT LOCATIONS AND CONTACTS

USING GRANTEE TAX ID

Grantee Federal Tax ID:

Selecting the Add/Edit Locations and Contacts function will bring up the list of locations and contacts for this grantee which can be edited and updated. You also have the option of adding a new location and/or new contact from this screen. Remember to click “update” if you make changes to either an existing location or contact. Remember to click “add new contact” if you add a new contact to an existing location. Or, if you add a new location, click “add new location” and then add the contact for that location. The system will tell you that it is “processing” and will say “location successfully added” or “contact successfully added.”

EXAMPLE: ADD/MODIFY CONTACT/LOCATION SCREEN

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LIST OF LOCATIONS AND CONTACTS AVAILABLE FOR TEST						
1. Location Name	Street Address	City	County	State	Zipcode	Action
Raleigh - 123 South St	123 South St	Raeigh	Wake	NC	27615	<input type="button" value="Update"/>
Contact Name	Title	Contact Description	Contact Phone	Contact Email	Active	Action
ADD NEW CONTACT						
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="button" value="Add"/>
ADD A NEW LOCATION						
Location Name	Street Address	City	County	State	Zipcode	Action
<input type="text"/>	<input type="text"/>	<input type="text"/>	(Out-of-state)	North Carolina	<input type="text"/>	<input type="button" value="Add"/>

H. **“Agency Reports” function:** This option gives the grantor the ability to run reports specific to its grantees and awards. These reports are already set up in a standard format.

EXAMPLE: STANDARD REPORT FUNCTIONS FOR GRANTORS

NOTE: To view the below reports please make sure your browser allows scripted windows to prompt for user inputs. For Internet Explorer you can go to Tools-->Internet Options then select the "SECURITY" Tab and click on "CUSTOM LEVEL" button and scroll down almost till the end where you can see the "SCRIPTING" Section, under this you can see a sub-section which says "Allow Websites to prompt for information using scripted windows" Under this click on the "Enable" Radio button and click "OK" to apply the settings.

AGENCY REPORTS	
Full Reports Grantee Summary Grants By Grantee With Payments Grants By Grantee Grantee Reports for Review Warning List	Annual Reports Grants By Grantee Grants By Service Type Grants By County By Agency

a. **Full Reports** will create files listing all grants that have been awarded in NCGrants for all years. All reports will create downloadable .csv files that you should save to your computer, either as a .csv file or as an Excel file. The data in these reports can be manipulated and sorted to give you the information that you need.

◇ **Grantee Summary:** This report shows total payments your agency has made to a given grantee.

◇ **Grants by Grantee with Payments:** This report will show you all payments you have posted to all grants for each of your grantees.

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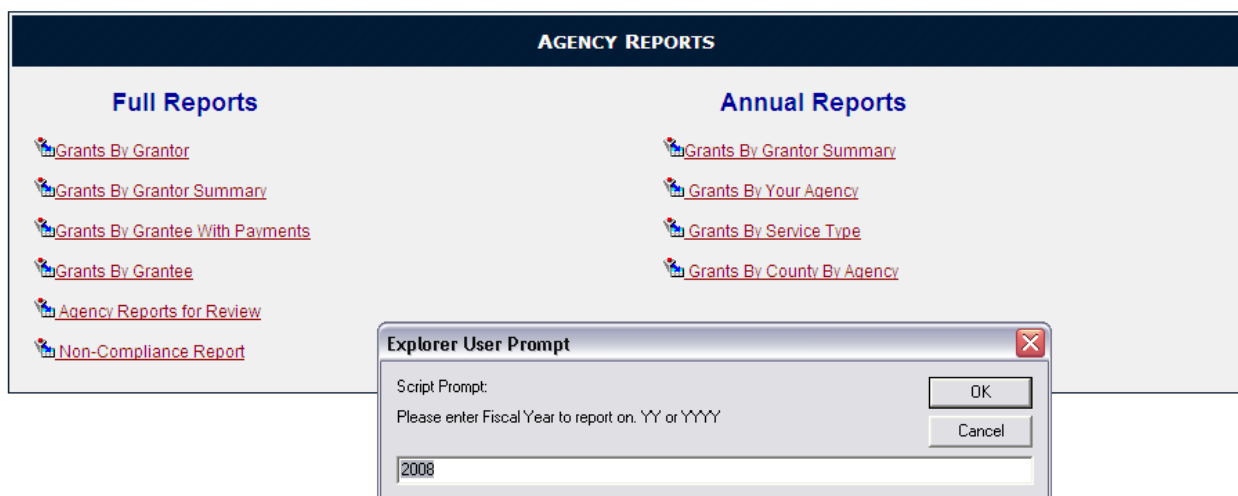
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- ◇ **Grants by Grantee:** This report shows all grants awarded by your agency to a particular grantee, including the grantee's tax ID, legal name, award amount and expected outcomes, among other items.
 - ◇ **Grantee Reports for Review:** This report shows all of your agency's grantees with reports submitted for you to review. The report can be searched by grantee tax ID, legal name, and grant contract number, among other items.
 - ◇ **Warning List:** The grantees that appear on this list have missed their reporting deadline and are currently in their 60-day grace period before being placed on the Suspension of Funding List. This report shows all of your grantees in this situation, regardless of which agency's reports they are missing. The grantee's fiscal year end, non-compliance date and suspension date are all listed along with contact information so that granting agencies can warn grantees that a suspension of their funds is forthcoming if reports are not submitted.
- b. **Fiscal Year Reports** will create files listing all grants that have been awarded in the system for the state fiscal year (July 1 – June 30) you select (see example below). Data starts in NCGrants with 2006 and runs through the current fiscal year. All reports will create downloadable .csv files that you should save to your computer, either as a .csv file or as an Excel file. The data in these reports can be manipulated and sorted to give you the information that you need.

NOTE: To view the below reports please make sure your browser allows scripted windows to prompt for user inputs. For Internet Explorer you can go to Tools-->Internet Options then select the "SECURITY" Tab and click on "CUSTOM LEVEL" button and scroll down almost till the end where you can see the "SCRIPTING" Section, under this you can see a sub-section which says "Allow Websites to prompt for information using scripted windows" Under this click on the "Enable" Radio button and click "OK" to apply the settings.



- ◇ **Grants by Grantor Summary:** This report shows the total payments made by your agency to each grantee during the fiscal year selected.

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- ◇ **Grants by Your Agency:** This report shows all grants issued by your agency during the fiscal year selected.
 - ◇ **Grants by Service Type:** This report is sorted by service type and includes the grant name, grantee tax ID, award date and amount and total payments.
 - ◇ **Grants by County by Agency:** This report shows only the total amount of money received by each county from your agency.
- I. “Click here to make requests to NCGrants administrator” selection:** You will find this link at the bottom of the screen when viewing grantee reports. Please use this link to send an e-mail to the NCGrants administrator regarding any questions or requested edits to information for your agency’s grantees in the online system. You may also email directly to ncgrants@osbm.nc.gov.

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Section C

APPENDICES

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Part 3. Non-State Entities Receiving State Funds.

§ 143C-6-21. (Effective July 1, 2007) Payments to nonprofits.

Except as otherwise provided by law, an annual appropriation of one hundred thousand dollars (\$100,000) or less to or for the use of a nonprofit corporation shall be made in a single annual payment. An annual appropriation of more than one hundred thousand dollars (\$100,000) to or for the use of a nonprofit corporation shall be made in quarterly or monthly payments, in the discretion of the Director of the Budget. (2006-203, s. 3.)

§ 143C-6-22. (Effective July 1, 2007) Use of State funds by non-State entities.

(a) Disbursement and Use of State Funds. – Every non-State entity that receives, uses, or expends any State funds shall use or expend the funds only for the purposes for which they were appropriated by the General Assembly. State funds include federal funds that flow through the State Treasury.

(b) Compliance by Non-State Entities. – If the Director of the Budget finds that a non-State entity has spent or encumbered State funds for an unauthorized purpose, or fails to submit or falsifies the information required by G.S. 143C-6-23 or any other provision of law, the Director shall take appropriate administrative action to ensure that no further irregularities or violations of law occur and shall report to the Attorney General any facts that pertain to an apparent violation of a criminal law or an apparent instance of malfeasance, misfeasance, or nonfeasance in connection with the use of State funds. Appropriate administrative action may include suspending or withholding the disbursement of State funds and recovering State funds previously disbursed.

(c) Civil Actions. – Civil actions to recover State funds or to obtain other mandatory orders in the name of the State on relation of the Attorney General, or in the name of the Office of State Budget and Management, shall be filed in the General Court of Justice in Wake County. (2006-203, s. 3.)

§ 143C-6-23. (Effective July 1, 2007) State grant funds: administration; oversight and reporting requirements.

(a) Definitions. – The following definitions apply in this section:

- (1) "Grant" and "grant funds" means State funds disbursed as a grant by a State agency; however, the terms do not include any payment made by the Medicaid program, the Teachers' and State Employees' Comprehensive Major Medical Plan, or other similar medical programs.
- (2) "Grantee" means a non-State entity that receives State funds as a grant from a State agency, but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission.
- (3) "Subgrantee" means a non-State entity that receives State funds as a grant from a grantee or from another subgrantee but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission.

(b) Conflict of Interest Policy. – Every grantee shall file with the State agency disbursing funds to the grantee a copy of that grantee's policy addressing conflicts of interest that may arise involving the grantee's management employees and the members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the grantee's employees or members of its board or other governing body, from the grantee's disbursing of State funds, and shall include actions to be taken by the grantee or the individual, or both, to avoid conflicts of interest and the appearance of impropriety. The policy shall be filed before the disbursing State agency may disburse the grant funds.

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(c) No Overdue Tax Debts. – Every grantee shall file with the State agency or department disbursing funds to the grantee a written statement completed by that grantee's board of directors or other governing body stating that the grantee does not have any overdue tax debts, as defined by G.S. 105-243.1, at the federal, State, or local level. The written statement shall be made under oath and shall be filed before the disbursing State agency or department may disburse the grant funds. A person who makes a false statement in violation of this subsection is guilty of a criminal offense punishable as provided by G.S. 143C-10-1.

(d) Office of State Budget Rules Must Require Uniform Administration of State Grants. – The Office of State Budget and Management shall adopt rules to ensure the uniform administration of State grants by all grantor State agencies and grantees or subgrantees. The Office of State Budget and Management shall consult with the Office of State Budget and Management and the Attorney General in establishing the rules required by this subsection. The rules shall establish policies and procedures for disbursements of State grants and for State agency oversight, monitoring, and evaluation of grantees and subgrantees. The policies and procedures shall:

- (1) Ensure that the purpose and reporting requirements of each grant are specified to the grantee.
- (2) Ensure that grantees specify the purpose and reporting requirements for grants made to subgrantees.
- (3) Ensure that State funds are spent in accordance with the purposes for which they were granted.
- (4) Hold the grantees and subgrantees accountable for the legal and appropriate expenditure of grant funds.
- (5) Provide for adequate oversight and monitoring to prevent the misuse of grant funds.
- (6) Establish mandatory periodic reporting requirements for grantees and subgrantees, including methods of reporting, to provide financial and program performance information. The mandatory periodic reporting requirements shall require grantees and subgrantees to file with the State Auditor copies of reports and statements that are filed with State agencies pursuant to this subsection. Compliance with the mandatory periodic reporting requirements of this subdivision shall not require grantees and subgrantees to file with the State Auditor the information described in subsections (b) and (c) of this section.
- (7) Require grantees and subgrantees to maintain reports, records, and other information to properly account for the expenditure of all grant funds and to make such reports, records, and other information available to the grantor State agency for oversight, monitoring, and evaluation purposes.
- (8) Require grantees and subgrantees to ensure that work papers in the possession of their auditors are available to the State Auditor for the purposes set out in subsection (i) of this section.
- (9) Require grantees to be responsible for managing and monitoring each project, program, or activity supported by grant funds and each subgrantee project, program, or activity supported by grant funds.
- (10) Provide procedures for the suspension of further disbursements or use of grant funds for noncompliance with these rules or other inappropriate use of the funds.
- (11) Provide procedures for use in appropriate circumstances for reinstatement of disbursements that have been suspended for noncompliance with these rules or other inappropriate use of grant funds.

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(12) Provide procedures for the recovery and return to the grantor State agency of unexpended grant funds from a grantee or subgrantee if the grantee or subgrantee is unable to fulfill the purposes of the grant.

(e) Rules Are Subject to the Administrative Procedure Act. – Notwithstanding the provisions of G.S. 150B-2(8a)b. rules adopted pursuant to subsection (d) of this section are subject to the provisions of Chapter 150B of the General Statutes.

(f) Suspension and Recovery of Funds to Grant Recipients for Noncompliance. – The Office of State Budget and Management, after consultation with the administering State agency, shall have the power to suspend disbursement of grant funds to grantees or subgrantees, to prevent further use of grant funds already disbursed, and to recover grant funds already disbursed for noncompliance with rules adopted pursuant to subsection (d) of this section. If the grant funds are a pass-through of funds granted by an agency of the United States, then the Office of State Budget and Management must consult with the granting agency of the United States and the State agency that is the recipient of the pass-through funds prior to taking the actions authorized by this subsection.

(g) Audit Oversight. – The State Auditor has audit oversight, with respect to grant funds received by the grantee or subgrantee, pursuant to Article 5A of Chapter 147 of the General Statutes, of every grantee or subgrantee that receives, uses, or expends grant funds. A grantee or subgrantee must, upon request, furnish to the State Auditor for audit all books, records, and other information necessary for the State Auditor to account fully for the use and expenditure of grant funds received by the grantee or subgrantee. The grantee or subgrantee must furnish any additional financial or budgetary information requested by the State Auditor, including audit work papers in the possession of any auditor of a grantee or subgrantee directly related to the use and expenditure of grant funds.

(h) Report on Grant Recipients That Failed to Comply. – Not later than May 1, 2007, and by May 1 of every succeeding year, the Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on all grantees or subgrantees that failed to comply with this section with respect to grant funds received in the prior fiscal year.

(i) State Agencies to Submit Grant List to Auditor. – No later than October 1 of each year, each State agency shall submit a list to the State Auditor, in the format prescribed by the State Auditor, of every grantee to which the agency disbursed grant funds in the prior fiscal year. The list shall include the amount disbursed to each grantee and other information as required by the State Auditor to comply with the requirements of this section. (2006-203, s. 3.)

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SUBCHAPTER 03M – UNIFORM ADMINISTRATION OF STATE GRANTS

SECTION .0100 - ORGANIZATION AND FUNCTION

09 NCAC 03M .0101 PURPOSE

Pursuant to G.S. 143C-6-23, the rules in this Subchapter establish reporting requirements for non-State entities that receive, use, or expend State funds and ensure the uniform administration of State grants by all grantor State agencies, grantee, and subgrantees.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005;
Amended Eff. October 1, 2007.*

09 NCAC 03M .0102 DEFINITIONS

As used in this Subchapter:

- (1) "Agency" shall mean and include every public office, public officer or official (State or local, elected or appointed), institution, board, commission, bureau, council, department, authority or other unit of government of the State or of any county, unit, special district or other political subdivision of government.
- (2) "Audit" means an examination of records or financial accounts to verify their accuracy.
- (3) "Certification of Compliance" means a report provided by the grantor agency to the Office of the State Auditor that states that the grantee has met the reporting requirements established by this Subchapter and included a statement of certification by the grantor agency and copies of the submitted grantee reporting package.
- (4) "Compliance Supplement" refers to the North Carolina State Compliance Supplement, maintained by the State and Local Government Finance Division within the North Carolina Department of State Treasurer that has been developed in cooperation with agencies to assist the local auditor in identifying program compliance requirements and audit procedures for testing those requirements.
- (5) "Contract" means a legal instrument that is used to reflect a relationship between the agency, grantee, and subgrantee.
- (6) "Fiscal Year" means the annual operating year of the non-State entity.
- (7) "Financial Assistance" means assistance that non-State entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance. Financial assistance does not include amounts received as reimbursement for services rendered to individuals for Medicare and Medicaid patient services.
- (8) "Financial Statement" means a report providing financial statistics relative to a given part of an organization's operations or status.
- (9) "Grant" means financial assistance provided by an agency, grantee, or subgrantee to carry out activities whereby the grantor anticipates no programmatic involvement with the grantee or subgrantee during the performance of the grant.
- (10) "Grantee" has the meaning in G.S. 143C-6-23(a)(2).
- (11) "Grantor" means an entity that provides resources, generally financial, to another entity in order to achieve a specified goal or objective.
- (12) "Non-State Entity" has the meaning in G.S. 143C-1-1(d)(18).
- (13) "Public Authority" has the meaning in G.S. 159-7(10).

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- (14) "Single Audit" means an audit that includes an examination of an organization's financial statements, internal controls, and compliance with the requirements of Federal or State awards.
- (15) "Special Appropriation" means a legislative act authorizing the expenditure of a designated amount of public funds for a specific purpose.
- (16) "State Funds" means any funds appropriated by the North Carolina General Assembly or collected by the State of North Carolina. State funds include federal financial assistance received by the State and transferred or disbursed to non-State entities. Both Federal and State funds maintain their identity as they are subgranted to other organizations.
- (17) "Subgrantee" has the meaning in G.S. 143C-6-23(a)(3).
- (18) "Unit of Local Government" has the meaning in G.S. 159-7(15).

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005;
Amended Eff. October 1, 2007.*

SECTION .0200 - RESPONSIBILITIES OF GRANTEES AND SUBGRANTEES

09 NCAC 03M .0201 ALLOWABLE USES OF STATE FUNDS

Expenditures of State funds by any grantee shall be in accordance with the Cost Principles outlined in the Office of Management and Budget (OMB) Circular A-87. If the grant funding includes federal sources, the grantee shall ensure adherence to the cost principles established by the Federal Office of Management and Budget.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

09 NCAC 03M .0202 GRANTEE RESPONSIBILITIES

A grantee that receives State funds shall ensure that those funds are utilized for the purpose of the grant and shall expend those funds in compliance with reporting requirements established by this Subchapter. Grantees shall:

- (1) Provide the information required by the grantor agency in order to comply with the procedures for disbursement of grant funds.
- (2) Maintain reports and accounting records that support the allowable expenditure of State funds. All reports and records shall be made available for inspection by both the awarding agency and the Office of the State Auditor for oversight, monitoring, and evaluation purposes.
- (3) Ensure that subgrantees comply with all reporting requirements of the grantee.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

09 NCAC 03M .0203 SUBGRANTEE RESPONSIBILITIES

A subgrantee that receives State funds must ensure that those funds are spent for the purpose of the grant and shall expend those funds in compliance with reporting requirements established by this Subchapter. Subgrantees shall:

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- (1) Provide the information required by the grantor agency in order to comply with the procedures for disbursement of grant funds.
- (2) Maintain reports and accounting records that support the allowable expenditure of State funds. All reports and records shall be available for inspection by both the awarding agency and the Office of the State Auditor for oversight, monitoring, and evaluation purposes.
- (3) Ensure that any subgrantees comply with all reporting requirement of the grantee.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

09 NCAC 03M .0204 RESERVED FOR FUTURE CODIFICATION

09 NCAC 03M .0205 REPORTING THRESHOLDS AND FORMATS FOR GRANTEES AND SUBGRANTEES

(a) For the purposes of this Subchapter, there are three reporting thresholds established for grantees and subgrantees receiving State funds. The reporting thresholds are:

- (1) Less than \$25,000 – A grantee that receives, uses, or expends State funds in an amount less than twenty-five thousand dollars (\$25,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including:
 - (A) A certification completed by the grantee Board and management stating that the State funds were received, used, or expended for the purposes for which they were granted; and
 - (B) An accounting of the State funds received, used, or expended.All reporting requirements shall be filed with the funding agency within six months after the end of the grantee's fiscal year in which the State funds were received.
- (2) \$25,000 up to \$500,000 - A grantee that receives, uses, or expends State funds in an amount of at least twenty-five thousand (\$25,000) and up to five hundred thousand dollars (\$500,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including:
 - (A) A certification completed by the grantee Board and management stating that the State funds were received, used, or expended for the purposes for which they were granted;
 - (B) An accounting of the State funds received, used, or expended; and
 - (C) A description of activities and accomplishments undertaken by the grantee with the State funds.All reporting requirements shall be filed with the funding agency within six months after the end of the grantee's fiscal year in which the State funds were received.
- (3) Greater than \$500,000 – A grantee that receives, uses, or expends State funds and in the amount greater than five hundred thousand dollars (\$500,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including:
 - (A) A certification completed by the grantee Board and management stating that the State funds were received, used, or expended for the purposes for which they were granted;
 - (B) An audit prepared and completed by a licensed Certified Public Accountant for the grantee consistent with the reporting requirement of this Subchapter; and

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- (C) A description of activities and accomplishments undertaken by the grantee with the State funds.

All reporting requirements shall be filed with both the funding agency and the Office of the State Auditor within nine months after the end of the grantee's fiscal year in which the State funds were received.

(b) Unless prohibited by law, the costs of audits made in accordance with the provisions of this rule are allowable charges to State and Federal awards. The charges may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in the Office of Budget and Management (OMB) Circular A-87. The cost of any audit not conducted in accordance with this Subchapter is unallowable and shall not be charged to State or Federal grants.

(c) The audit requirements in this Subchapter do not replace a request for submission of audit reports by grantor agencies in connection with requests for direct appropriation of state aid by the General Assembly.

(d) Notwithstanding the provisions of this Subchapter, a grantee may satisfy the reporting requirements of Part (a)(3)(B) of this Rule by submitting a copy of the report required under the federal law with respect to the same funds.

(e) All grantees and subgrantees shall use the forms of the Office of State Budget and Management and of the Office of the State Auditor in making reports to the awarding agencies and the Office of the State Auditor.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

SECTION .0300 - RESPONSIBILITIES OF THE OFFICE OF THE STATE CONTROLLER

09 NCAC 03M .0301 OFFICE OF THE STATE CONTROLLER RESPONSIBILITIES

All grantees receiving State funds shall enter into a disbursing agreement with the Office of the State Controller in accordance with G.S. 143B-426.39 and G.S. 143B-426.40G.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005;
Amended Eff. October 1, 2007.*

SECTION .0400 - RESPONSIBILITIES OF AGENCIES

09 NCAC 03M .0401 AGENCY RESPONSIBILITIES

(a) An agency that receives State funds and disburses those funds to a grantee shall:

- (1) Notify each grantee, at the time the grant is made, of the purpose of the grant and the reporting requirements established in this Subchapter.
- (2) Prior to disbursing any grant funds:
 - (A) register with the Office of State Budget and Management's Community Resources Information System (CRIS); and
 - (B) follow the procedures for disbursement of grant funds.
- (3) Develop compliance supplement reports that describe standards of compliance and audit procedures to give direction to independent auditors. This report shall be provided to the State and Local Government Finance Division with the North Carolina Department of State Treasurer for inclusion in the North Carolina State Compliance Supplement.

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- (4) Provide the Office of the State Auditor with a listing of each grantee to which the agency disbursed State funds during the prior fiscal year by October 31st of each year including detailed information regarding the purpose and amount of the grant awarded.
 - (5) Provide the Office of State Budget and Management with a listing of every grantee to which the agency disbursed State funds during the prior fiscal year by January 31st of each year. This report shall be consistent with the disbursement report previously provided to the Office of the State Auditor including whether the grantee has complied with the reporting requirements established in this Subchapter.
 - (6) Hold grantees accountable for the expenditure of State funds by performing monitoring and oversight functions as required in this Subchapter.
 - (7) Ensure that funds are spent consistent with the purposes for which they were granted.
 - (8) Not disburse funds to grantees that are not in compliance with the reporting requirements for funds received during the prior fiscal year. Agencies shall consult with the Office of State Budget and Management in making this determination.
 - (9) Determine that the applicable reporting requirement has been met by the grantee and that all reports have been completed and submitted. For grantees receiving less than five hundred thousand dollars (\$500,000), the grantor agency shall complete a Certification of Compliance to the Office of the State Auditor.
 - (10) Conduct periodic monitoring reviews to ensure that State awards are used for authorized purposes in compliance with laws, regulations, and the provisions of grant agreements and that performance goals are achieved.
 - (11) Monitor compliance by grantees with all terms of a contract. Upon determination of noncompliance, the agency shall give the grantee 60 days written notice to come into compliance. After the 60-day period, the grantor agency shall:
 - (A) terminate the contract and take action to retrieve unexpended funds or unauthorized expenditures;
 - (B) suspend payments pending negotiation of a plan of corrective action; or
 - (C) offset future payments with the amount improperly spent.
- (b) Each non-State entity shall ensure that subgrantees have complied with the applicable provisions of this Subchapter. Failure to comply with such provisions shall be the basis for an audit exception.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

SECTION .0500 - RESPONSIBILITIES OF THE OFFICE OF THE STATE AUDITOR

09 NCAC 03M .0501 OFFICE OF THE STATE AUDITOR RESPONSIBILITIES

Pursuant to the provisions of this Subchapter, the Office of the State Auditor shall:

- (1) Review submitted audit reports for those grantees receiving more than five hundred thousand dollars (\$500,000) in State funds to determine compliance with applicable reporting standards.
- (2) Maintain grantor agency submitted compliance data for grantees that receive State funds at levels below five hundred thousand dollars (\$500,000) demonstrating that the grantees have met the reporting requirements established by this Subchapter.
- (3) Notify disbursing agencies, by January 31st of each year, of all grantees for which no compliance data has been received.

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- (4) Notify disbursing agencies of any material findings in the audits of grantees throughout the State fiscal year as reports are received.
- (5) Submit a list to the Office of State Budget and Management by January 31st of each year; of each grantee that received State funds in the prior fiscal year including the status of grantee compliance with the reporting requirements.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

**SECTION .0600 - RESPONSIBILITIES OF THE OFFICE OF STATE BUDGET AND
MANAGEMENT**

**09 NCAC 03M .0601 OFFICE OF STATE BUDGET AND MANAGEMENT
RESPONSIBILITIES**

The Office of State Budget and Management shall:

- (1) Provide consultation to agencies as to whether grantees have complied with the required reporting requirements.
- (2) Consult with agencies to ensure that all grantees found in noncompliance have their funding ceased immediately upon that determination and ensure that no further funding will be provided until the grantee is in compliance.
- (3) Maintain a Suspension of Funding list readily accessible to any interested party that identifies any grantee found in noncompliance. This list shall serve as notice to other agencies that no further State grant funding may be provided to that grantee.
- (4) Maintain a Community Resources Information System database to record grant documentation required by this Subchapter.
- (5) In conjunction with the grantor agency, ensure reporting requirements have been met prior to the removal of any grantee from the Suspension of Funding listing. A grantee found in noncompliance may appeal to the Office of State Budget and Management for corrective action and reinstatement from the Suspension of Funding list. Once removed from the Suspension of Funding list, the grantee is eligible for current and future grants of State funds.
- (6) Take administrative action, when the Director of Budget finds that the grantee has spent or encumbered State funds for an unauthorized purpose, which includes reporting criminal violations to the Attorney General and the State Bureau of Investigation.
- (7) If the grant funds are a pass-through of funds granted by an agency of the United States, consult with the granting agency of the United States and the State agency that is the recipient of the pass-through funds prior to taking actions authorized by this Subchapter.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

SECTION .0700 - CONTRACTING, MONITORING, AND OVERSIGHT

09 NCAC 03M .0701 GRANT DOCUMENTATION

In consideration of receiving State funds, the grantee shall sign a contract with the agency that shall contain the obligations of both parties. Prior to disbursing any State funds, each agency shall sign a

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contract with the grantee requiring compliance with the rules in this Subchapter. The requirements of this Rule shall also be applicable to all subgrantee relationships.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

09 NCAC 03M .0702 SUBORDINATION OF OTHER CONTRACTS AGREEMENTS

No contract agreements shall act to eliminate or diminish the requirements contained in this Subchapter.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

09 NCAC 03M .0703 REQUIRED CONTRACT PROVISIONS

Each contract agreement shall contain:

- (1) A specification of the purpose of the grant, services to be provided, objectives to be achieved, and expected results;
- (2) The Source of funds (federal, state, etc.) must be identified (CFDA number if applicable) and percentages included where applicable;
- (3) Account coding information sufficient to provide for tracking of the disbursement through the grantor accounting system;
- (4) Agreement to maintain all grant records for a period of five years or until all audit exceptions have been resolved, whichever is longer;
- (5) Names of all parties to the terms of the contract; for the grantee or subgrantee, including the employer/tax identification number, address, contact information, and the grantee/subgrantee fiscal year end date;
- (6) Signatures indicating authorization by all parties to the terms of the contract;
- (7) Duration of the contract, including the effective and termination dates;
- (8) Amount of the contract and schedule of payment(s);
- (9) Particular duties of the grantee;
- (10) Required reports and reporting deadlines;
- (11) Provisions for termination by mutual consent with 60 days written notice to the other party, or as otherwise provided by law;
- (12) A provision that the awarding of the grants subject to allocation and appropriation of funds to the agency for the purposes set forth in the contract;
- (13) Provision that requires reversion of unexpended funds to the agency upon termination of the contract;
- (14) A provision that requires compliance with the rules and reporting requirements outlined in this Subchapter including audit oversight by the Office of the State Auditor, the provision of access to the accounting records by both the funding entity and the Office of the State Auditor, and availability of audit work papers in the possession of any auditor of any recipient of State funding;
- (15) A clause addressing assignability and subcontracting including the following:
 - (a) the grantee or subgrantee is not relieved of any of the duties and responsibilities of the original contract; and
 - (b) the subgrantee agrees to abide by the standards contained in this Subchapter, and to provide all information to allow the grantee to comply with these standards.

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*History Note: Authority G.S. 143C-6-22; 143C-6-23;
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09 NCAC 03M .0704 GRANT MONITORING AND EVALUATION

(a) Agencies shall ensure that oversight and monitoring of grantee and subgrantees occurs to prevent the misuse of State funds. Grantees and subgrantees shall manage the day-to-day operations of grant-supported activities. Grantors shall monitor grant-supported activities to assure compliance with applicable compliance requirements and that performance goals are being achieved. Grantee monitoring shall cover each program, function or activity. An evaluation must be performed with a comparison of actual accomplishments to the measurable objectives or outcomes established for the grant.

(b) Agencies shall:

- (1) Grant Identification - At the time the grant is made, the agency must provide information to the grantee including the required contract provisions as well as the applicable compliance requirements.
- (2) During the grant period, the agency shall monitor the grantee's use of State awards through reporting, site visits, regular contact, or other means to provide assurance that the grantee administers State funds in compliance with laws, rules, and the provisions of grant agreements and that performance goals are achieved.
- (3) Ensure that subgrantees expending five hundred thousand dollars (\$500,000) or more in State awards during the subgrantee's fiscal year have met the audit requirements of this Subchapter and that the required audits are completed within nine months of the end of the subgrantee's audit period; issue a management decision on audit findings within six months after receipt of the subgrantee's audit report; and ensure that the subgrantee takes timely corrective action on all audit findings.
- (4) Take action using sanctions when a subgrantee has demonstrated a continued inability or unwillingness to provide required audits.
- (5) Evaluate the impact of subgrantee activities on the agency's ability to comply with applicable State rules.
- (6) Evaluate the results and outcomes of the activities and accomplishments of the grantee or subgrantee to determine if results were achieved, the success of the activity, and whether the project activities should continue.

*History Note: Authority G.S. 143C-6-22; 143C-23;
Eff. July 1, 2005.*

SECTION .0800 - SANCTIONS

09 NCAC 03M .0801 NONCOMPLIANCE WITH RULES

(a) When a non-State entity does not comply with the requirements of this Subchapter, the agency shall take measures to ensure that the requirements are met including:

- (1) communicating the requirements to the non-State entity;
- (2) requiring a response from the non-State entity upon a determination of noncompliance; and
- (3) suspend payments to the non-State entity until the non-State entity is in compliance.

(b) Prior to disbursing any State funds, the grantor agency shall verify that the grantee has complied with the reporting requirements for the most recent applicable reporting period. The agency shall consult with the Office of State Budget and Management during this verification process. A grantor agency shall not

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disburse funds to any grantee that has been determined by the grantor agency to be noncompliant with the reporting requirements established by this Subchapter.

(c) If the grantor agency finds that a non-State entity has used State funds for an unauthorized purpose, the grantor agency shall report such findings to the Attorney General, the Office of the State Budget and Management, the Office of the State Auditor, and the Office of the State Controller.

(d) If a grantee has not met the reporting requirements established by this Subchapter and fails to submit revised reports in accordance with a grantor agency determination letter, the grantor agency shall suspend further payments to the grantee and report the grantee to the Office of the State Auditor and the Office of the State Controller.

(e) Each grantor agency shall ensure that grantees and subgrantees have complied with the applicable provisions of this Subchapter.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

09 NCAC 03M .0802 RECOVERY OF STATE FUNDS

(a) The Office of State Budget and Management shall be assisted by the Attorney General in the recovery and return of State funds in the event a grantee or subgrantee:

- (1) is unable to fulfill the obligations of the contractual agreement;
- (2) is unable to accomplish the purposes of the grant;
- (3) is noncompliant with the reporting requirements; or
- (4) has inappropriately used the State funds.

(b) Any apparent violations of a criminal law or malfeasance, misfeasance, or nonfeasance in connection with the use of State funds shall be reported by the Office of State Budget and Management to the Attorney General and State Bureau of Investigation.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
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Expenditure Accounts – 536XXX Aid & Public Assistance

Allocations or distributions of funds to direct recipients, providers or other agencies for some designated program, assistance or special project.

5361AA Public Assistance/Entitlement Payments

Expenditures for medical, rehabilitative and maintenance purposes to direct recipients or providers based on legal formula or special determination. (Example are: Medicaid, AFDC and WIC.)

GOVERNMENTAL

5362AA Cost Reimbursements to Governmental Organizations

Grants and payments to governmental entities for costs incurred on behalf of the State for administration of the public assistance programs which includes funding for discretionary grants for new programs which are continued as cost reimbursements.

5363AA Formula Grants to Governmental Organizations

Funds distributed by the State to governmental organizations based upon a specific formula specified in the grant which governs the distribution amount and the performance criteria.

5364AA Discretionary Grants to Governmental Organizations

Funds distributed by the State to governmental entities based upon annual application or reapplication and criteria established by the provider agency or grantor.

5365AA Statutory Distributions to Governmental Organizations

Ongoing allocations of funds as mandated by General Statute. Example: Tax distributions to local governments and aid to local educational agencies.

5366AA Directed Grants to Governmental Organizations

Funds allocated to governmental entities as directed by the State Legislature.

5367AA Loans to Governmental Organizations

Funds provided to governmental organizations with the anticipation of being repaid as part of the loan contract.

536KAA Educational Awards and Scholarships to Governmental Organizations

Payments to governmental organizations for scholarships, grants, grants-in-aid, traineeships and other similar financial awards for students enrolled in formal course work, either for credit or noncredit. It excludes compensation for services rendered and monetary loans.

(Note – See Accounts 5368XX for Educational Awards and Scholarships to Students in the Nongovernmental Organizations (NGO) section)

5369AA Other Aids and Grants to Governmental Organizations

This classification includes funds not classified in other categories provided to governmental organizations.

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Business-type Activities (proprietary funds) use only the following two 5369 accounts:

536900 Other Aids and Grants to Governmental Organizations

This is classified as an operating expense for proprietary accounting

536999 Other Aids and Grants to Governmental Organizations – Nonoperating

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NONGOVERNMENTAL ORGANIZATIONS (NGOs)

536CAA Cost Reimbursements to NGOs

Grants and payments to nongovernmental entities for costs incurred on behalf of the State for administration of the public assistance programs which includes funding for discretionary grants for new programs which are continued as cost reimbursements.

536DAA Formula Grants to NGOs

Funds distributed by the State to nongovernmental organizations or individuals based upon a specific formula specified in the grant which governs the distribution amount and the performance criteria.

536EAA Discretionary Grants to NGOs

Funds distributed by the State to nongovernmental organizations or individuals based upon annual application or reapplication and criteria established by the provider agency or grantor.

536FAA Statutory Distributions to NGOs

Ongoing allocations of funds to nongovernmental organizations as mandated by General Statute.

536GAA Directed Grants to NGOs

Funds allocated to special interest groups and nongovernmental organizations as directed by the State Legislature.

536HAA Loans to NGOs

Funds provided to nongovernmental organizations and individuals with the anticipation of being repaid as part of the loan contract.

5368 - Educational Awards and Scholarships – see detail accounts below

Payments of scholarships, grants, grants-in-aid, traineeships and other similar financial awards to students enrolled in formal course work, either for credit or noncredit. It excludes compensation for services rendered and monetary loans.

- 536810 Appropriated grants
- 536820 Minority Presence Grants
- 536830 Nursing Emergency Financial Aid
- 536840 Academic Enhancement Scholarship
- 536850 Teachers Scholarships
- 536860 Medical and Dental Grants
- 09/30/05 9:52 AM
- 536870 Traineeships
- 536875 Graduate Assistant Tuition Awards
- 536880 Incentive Scholarships
- 536881 UNC Campus Scholarships
- 536890 Other Educational Awards
- 536898 High School Access Grants

536JAA Other Aids and Grants to NGOs

This classification includes funds not classified in other categories provided to nongovernmental organizations and individuals.

Business-type Activities (proprietary funds) use only the following two 536J accounts:

536J00 Other Aids and Grants to NGOs

This is classified as an operating expense for proprietary accounting

536J99 Other Aids and Grants to NGOs - Nonoperating

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Section D

Grantee's User Manual

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Section A

Frequently Asked Questions

Regarding Use of

The NCGrants Online Reporting System

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FREQUENTLY ASKED QUESTIONS

I. General Issues

1. Will all reporting now be on-line?

Beginning with all 2008 required annual reports, grantees should file their reports online at www.NCGrants.gov. OSBM will NOT accept annual reporting in hard copy format.

2. Does that include all periodic reports required by the funding agency?

No, only the annual reports required under G.S. 143C-6-23 will be entered to NCGrants. Any periodic reports (monthly, quarterly, etc.) required by your funding agency will continue to be filed with your funding agency as you have done in the past.

3. Will a grantee that has already submitted its 2007 reports in hard copy be required to report on-line?

No, OSBM will update the system to reflect "Hard Copy Submitted" for all 2007 reports already filed in hard copy by the grantees.

4. Is the information reported in NCGrants real-time?

NCGrants is a real-time system. Grantors should enter awards within 30 days of the award date. The disbursements will be updated monthly. **Reporting by grantees remains on an annual basis based on the grantee's fiscal year end.**

5. When should grant information be entered in NCGrants?

Each grantee **MUST** file its annual reports within the statutorily established time frames. A grantee's reporting date is determined by its fiscal year end and the total funding received **directly** from all State agencies.

- For those grantees receiving \$500,000 or less, the due date is 6 months from your fiscal year end.
- For those receiving over \$500,000, the due date is 9 months from your fiscal year end plus you must submit a Yellow Book audit.

Grantees will automatically be placed on the Suspension of Funding List if reports have not been entered online at www.NCGrants.gov within 60 days of the required due date.

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6. How long will the grantee's information be kept in the NCGrants system?

NCGrants will contain grants data from the 2007 fiscal year forward.

7. Is the Certification of No Overdue Tax Debts Form included in this system?

No, NCGrants does not contain the overdue tax form. **You should obtain the certification of no overdue tax debts form from your grantor at the time you enter into your grant contract.** G.S. 143C-6-23 requires that this form be completed at the time of the award and submitted to your funding agency as part of the contract, not to OSBM. The form should be part of the award contract for each year.

8. What happens when grantees merge into one entity but the remaining entity still uses multiple tax IDs to receive funding?

When grantees merge, each of the initial entities is responsible for completing any required annual reports for any grants that each received prior to the merge. The responsible party as far as the State is concerned is the entity that signed the grant contract. Neither OSBM nor the funding agency has the authority to accept reporting on any period of time other than the original grantee's fiscal year.

9. Will sub-grantees be required to report online?

Right now, only the DIRECT grantee is required to submit annual reports online to NCGrants. However, if the direct grantee does subgrant funds, the direct grantee is required to list the name, program, and amount of the subgrant on the State Grants Compliance form. Subgrantees must continue to submit hard copies of their reports to the grantee that disbursed the subgrant funds to them. The direct grantee must report on all grant funds it received, including any funds it subgrants.

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II. Using the NCGrants Functions

10. Will the NCGrants system “time” you out?

For security reasons, yes, NCGrants does have a time-out. The time-out period is set for 30 minutes. Therefore, once you begin a data entry session, you should “save work in progress” about every 10-15 minutes to avoid losing what you have input to that point. This allows you to come back in at a later time and complete your forms.

On the report screens, you’ll see a timer at the top of the page. Be sure to click “Save Work in Progress” or “Submit” before the timer expires, or you will lose your work.

The screenshot shows a web browser window titled "NC Grants - Windows Internet Explorer". The address bar displays a URL: <https://www.ncgrants.gov/NCGrants/StateGrantsCompReport.jsp?level=38&year=2010&date=1330011057569&formID=38&grantID=33334>. The browser's menu bar includes File, Edit, View, Favorites, Tools, and Help. The NCGrants logo is visible in the top left corner. The main header area contains the text "Office of State Budget and Management" and "Balancing Needs - Improving Government". A navigation bar includes links for HOME, REGULATIONS, PUBLICATIONS & REPORTS, TRAINING, CONTACT US, HELP, and LOGOFF. A status bar indicates "Logged in as CJWINWOOD1 (Grantee Example - 999999999)". A red rectangular box highlights a warning message: "The Session Expires in 29min: 57sec. Please make sure you click 'Save Work In Progress' if you cannot complete before session expires." Below this warning, the title "State Grants Compliance Reporting Receipt of >= \$25,000" is displayed. A table with two columns, "1. Organization" and "Grantee Example", contains the following information:

Name	Grantee Example
Tax ID #:	999999999
Organization Fiscal Year End (mmddyyyy)	June,2010
Mailing Address (street, city, state, zip code)	123 Main Street,Raleigh NC 27603
Phone Number (area code + number)	123-456-789
Contact Person	John Doe
Contact Person Title	Director
E-Mail Address	example@example.com

Below the table is a button labeled "Modify the contact details assigned to this Grant". On the left side of the page, there is a sidebar with a "Grants" section containing links for "Back to Grantee Dashboard", "Act As Grantee Logout", and "Help". At the bottom of the sidebar is a red button labeled "NCRECOVERY.GOV".

11. Can anyone change or remove information I have entered?

As long as you have saved “work in progress” and have not submitted your reports, you can edit your forms. However, once you submit your forms, you cannot make any changes unless a funding agency rejects them later. This unlocks the forms so that you can make necessary changes. The NCGrants administrator can also unlock the forms by rejecting them if the grantee realizes that edits are necessary before the granting agency reviews the forms. The NCGrants administrator would only reject forms that have already been approved by the granting agency but need edits with permission of the grantee and the grantor.

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12. What data will be pre-populated in the fields?

NCGrants is designed to “pre-populate” all data fields for which we already have your organization’s information. Thus, entity name, address, tax ID, phone number, contact name, contact e-mail, etc. will be put into each report automatically. You will need to check this data to make sure nothing has changed. If you find changes that need to be made, please use the “Add/Modify Contact/Location” link to make corrections.

Other data that is pre-populated includes: funding agency name, grant/program name, receipts amounts, Grant Contract #, and restrictions entered by grantors. Many of the forms also include programming features (such as totaling the expenditures) to make the process quicker and easier for you.

13. Are all the Board Member names required to be entered in the on-line system?

Yes, the names of the Board **for the year on which you are reporting** should be entered.

14. Can you partially complete forms and save your work for completion at a later date?

Yes, you may “save work in progress” at any time and log back into NCGrants at a later time to complete the report.

15. What if you accidentally hit “submit” before entering in all of the data on a given form?

If you accidentally hit submit before finishing the form, you will need to contact the NCGrants administrator to unlock the form by rejecting it so that you can complete entry and submit the finished report.

16. Can the blank report forms be printed so we can make sure we have all the necessary information before we start data entry?

Yes, the blank forms can be printed before you fill them out. However, you **MUST** file online as OSBM will not accept hard copy submissions. There are also watermarked informational copies available on the “Publications & Reports” tab of the NCGrants website which can be downloaded and printed.

17. Can you cut and paste from a word processing program?

You can enter your data into a Word document and cut and paste it into the Program Activities and Accomplishments report on NCGrants. However, you **CANNOT** cut and paste from an Excel file for the Receipts and Expenditures Report. You have to enter this data directly.

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18. Will all the information entered in the NCGrants system be printable?

Yes, you can enter the data and then print it either before you submit or call up the completed form after you have submitted and print it.

19. Will it be a requirement to print a hard copy of the reports after I have entered the information online?

Neither the grantee nor the grantor is REQUIRED to print out copies of the submitted reports. However, it would be wise to retain a hard copy of the data you submitted for your records.

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III. Specific Forms

20. On the various forms, who should be the grantee contact person – the executive director or other program personnel? Can we have multiple contacts?

Each grantor and grantee should determine who it wants to be the official contact person. This person should be someone who checks e-mail on a regular basis.

21. Are signatures required on the on-line Certification form?

Signatures are **not** required; the Certification form provides an electronic checkmark certification, similar to what you do when you submit your income tax forms electronically. You will have to supply the name and title of the person who is certifying that the data being submitted for your entity is correct and that all funds have been used as intended.

22. Who should enter the report data and “certify” that it is correct?

For purposes of satisfying the certification, the State is looking for the name and title of someone at the grantee entity that can answer questions if they arise on the use of the grant funds. Therefore, each grantee should develop a policy on who it wants to list on the certification form. It can be a Board chair or other officer, the executive director, or the person who is logged in and actually entering the data into the system.

23. Will the grantee be allowed to report on more than 10 funding sources on the Receipts and Expenditures form in NCGrants?

There is no limit on the number of grants you can report on. NCGrants will automatically list all the grants for which you have to report based on the awards data entered by the funding agencies. Each grant will have its own Schedule of Receipts and Expenditures form.

24. Is the data for the Receipts and Expenditures form populated by actual disbursements or from the grant award amount?

The Receipts and Expenditure form will be populated with actual disbursements as reported by the funding agencies in the North Carolina Accounting System (NCAS) or entered directly into the system by those grantors not using NCAS. **NCGrants will determine your annual receipts based on your entity's fiscal year, not the State's.** Thus, if you have a calendar year end, then NCGrants will compute the total disbursements to you for January – December and place this figure in the appropriate spots on the forms. Disbursements data for non-NCAS agencies will also be entered monthly.

25. Do receipts and expenditures have to balance out to zero for submission to be possible?

No, you report on your **actual receipts and expenditures** for your entity's fiscal year. Therefore, if you have a reimbursement grant, and you submit a reimbursement request the

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last month of your fiscal year for which you do not receive the reimbursement check from your funding agency until the first month of your next fiscal year, you will show the total amount that you actually received as well as the total amount that you actually expended. Remember, you are reporting on a cash basis, just like you do your own checkbook.

26. Is there a character restriction when completing the Programs Activities and Accomplishments form or any of the other fields where we have to type in a narrative response? Is a space considered a character?

Each narrative entry box on any of the forms has a counter at the top of the box to show you how many characters you have used of the maximum available spaces—500 characters. A space is considered a character. Therefore, you should make your responses as succinct as possible.

27. If we print the Accomplishments form, will it print all the comments contained in the boxes or just what is visible?

You can print the entire form, not just what is visible on the screen, by using the print icon at the top of each page. This is true of all forms. However, remember that you have a 500 character limit on each of your responses. NCGrants will not accept more than the 500 characters available and will not show or retain more than the 500 characters.

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IV. Disbursements

28. How often will disbursement data be entered into NCGrants?

OSBM will work with the Office of the State Controller to download the disbursements data monthly from the North Carolina Accounting System (NCAS). Funding agencies that do not use NCAS will input their disbursement data directly into NCGrants at least monthly.

29. What happens if I don't get a reimbursement check from the funding agency until the next month? How do I report it if the receipt is not within the same fiscal year as the expenditure?

Remember, you report your **actual receipts and expenditures** on a cash basis for your fiscal year. Thus, you would report the expenditure in the month when you incur it and report the receipt within the month when you actually receive it. If the receipt is not until the beginning of your next fiscal year, but is showing as a disbursement in the agency's current fiscal year, then you will need to contact your funding agency, who will work with the NCGrants administrator to get the disbursement amounts corrected.

30. What do I do if the grants or receipts totals listed by NCGrants do not match what my records show?

Contact your funding agency to determine why there are differences. The funding agency will work with the NCGrants administrator to make any necessary corrections in the system. **DO NOT complete the receipts and expenditures report if the receipts shown are not correct.**

31. How long does a grantee that no longer has grants or that has closed stay on the Suspension of Funding List?

A grantee will stay on the Suspension of Funding List until it has come into compliance or satisfied the conditions to be removed from the Suspension of Funding List, regardless of whether the entity is open or closed. Once a grantee is on the Suspension of Funding List, it cannot receive payments to any of its current grants or be awarded another grant until the corrective actions as defined by OSBM have been achieved.

32. If a grantee is noncompliant, will it be possible to see which grant reports are missing?

Yes, NCGrants is set up to show for each grantee the specific grants on which it must report. When the grantee logs in, NCGrants will automatically display a summary page showing each grant and the specific annual reports that must be completed. Any that have not been completed and submitted online by the grantee's due date will say "Not Submitted". Those that have been completed and submitted will say "Submitted".

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V. NCID Questions

33. How often will I be required to change my NCID?

Business and Individual NCID passwords do not expire. When setting up your NCID you will be required to answer 5 security questions. Should you forget either your NCID or password, you will need to know the answers to those questions in order to retrieve your account information. If you are unable to successfully answer the security questions, the NCID office will require that you create a new NCID account.

34. Do I need to obtain a new NCID if I previously had access to the system when it was operated by the Office of the State Auditor as the Grants Information Center (GIC)?

No. While OSBM has made some changes to the reporting application, it is the same system and prior users will be able to access the NCGrants reporting function using the same NCID and password they previously used for the GIC.

35. Why do I need to provide personal information in order to report on a grant?

You are not providing any personal information for grant purposes. You are asked to provide personal information to obtain your NCID. This data is NOT used by NCGrants or seen by anyone related to the grants. It is maintained in the NCID system, administered by the State's Information Technology Services group, for identification purposes only.

36. Is there another security level after logging into NCGrants using my NCID?

There is no other log in required for NCGrants. After receiving an email from the NCGrants technical administrator granting you access to NCGrants, the next time you log in, NCGrants will automatically pull up your summary sheet (dashboard).

37. Who should I contact if I have a question about NCID?

You should contact the NCID help desk at (919) 754-6000 or toll free at (800) 722-3946.

38. Are state agencies responsible for informing their grantees about NCID?

Yes, but all grantees should have already received information on the NCID program through the *Best Practices* newsletter and the various trainings previously conducted by the Office of the State Auditor.

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Section B

NCGrants Online Reporting

User Instructions

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GENERAL INSTRUCTIONS FOR NCGRANTS GRANTEE USERS

Background: G.S. 143C-6-23 requires every nongovernmental entity that receives State or Federal pass-through grant funds **DIRECTLY FROM A STATE AGENCY** to file annual reports on how those grant funds were used. There are 3 reporting levels with differing forms to be completed at each level. The specific forms to be completed are determined by the total direct grant receipts from all State agencies:

- Level 1: Less than \$25,000
- Level 2: Between \$25,000 and \$500,000
- Level 3: Over \$500,000

Not sure of your level? Log into NCGrants to find out.

The Grants Information Center has been created to make the annual reporting faster, easier, and more economical for all parties involved. The forms contained in NCGrants are the same forms that grantees have been using for since 2006. **However, since March 1, 2008, all annual grantee reports required by G.S. 143C-6-23 have been required to be entered online. For a period of time, the Office of State Auditor accepted hard copy reports and entered the data for grantees that did not have internet access. This policy was changed, effective September 1, 2009. OSBM will NOT accept hard copy forms. Grantees must file reports through the NCGrants online reporting function. Please check with your local library for free computer and internet resources if you do not have internet access at your home or office.**

Data Entry for Grantees

1. Make sure to have your NCID and password. If you have questions, contact the NCID Help Desk at (800) 722-3946. If you do not have an NCID, you may register by going to the [NCGrants login page](#) and clicking the "[Don't have an NCID?](#)" link.
2. Return to the NCGrants login page. Log in with NCID and password. The first time you login to NCGrants, you will be directed to a form to request access to NCGrants. Enter the required data and click "submit". If you have successfully submitted your request for access you will see a screen indicating that you will receive a confirmation email from the NCGrants administrator when you have been granted access—usually within a few hours.
3. Once you have received your email confirming that you have been granted access, log back in using your NCID login and password. This will open your "dashboard" also called the "Grantee Summary / Data Entry Screen." Please check the top of the screen to confirm you are logged in with the correct user name and organization – federal tax identification number (Ex: Logged in as absmith: ABC Nonprofit - 123456789)






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




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EXAMPLE: Logged in as absmith (ABC Nonprofit - 123456789)

IMPORTANT: the oldest "Not Submitted" reports should always be submitted first.

 - No Disbursements  - Not Submitted  - Submitted/Work In Progress  - Rejected  - Approved

Reports for your current fiscal year will not generate until your fiscal year ends. Please log back in once your fiscal year ends to complete any new reports.

2010 - LEVEL 3					
Agency	Grant	State Grants Compliance Reporting: >= \$25,000	Program Activities and Accomplishments Report	Audit	Certification Form
Agriculture & Consumer Services	Level 3 Example Grant-33334	 Not Submitted	 Not Submitted	 Not Submitted	 Not Submitted
2009 - LEVEL 2					
Agency	Grant	State Grants Compliance Reporting: >= \$25,000	Program Activities and Accomplishments Report	Schedule of Receipts and Expenditures	Certification Form
Agriculture & Consumer Services	Level 2 Example Grant-33333	 Not Submitted	 Not Submitted	 Not Submitted	 Not Submitted

* [Click here](#) to make requests to NCGrants administrator

- Your summary screen will identify your correct level of reporting (i.e. 1, 2 or 3) based on the State grant funds reported disbursed to your organization during your each of your fiscal years.
- The summary will show all the grants contained in NCGrants that have been awarded to your organization for which disbursements have been made.
- The program will automatically provide links to the reports that correspond to your reporting level, and only those reports, for each grant. Check to make sure that the grant(s) shown in the system correspond with what you show as having received from each agency **FOR YOUR FISCAL YEAR. DO NOT ENTER ANY DATA UNTIL ALL OF YOUR GRANTS ARE SHOWING AND THE RECEIPTS SHOWN MATCH YOUR RECORDS.**
 - If you received less than \$25,000**, your receipts will appear in your "State Grants Compliance Reporting < \$25,000" form.
 - If you received between \$25,000 and \$500,000**, your receipt totals will appear in your "Schedule of Receipts and Expenditures" form.
 - If you received over \$500,000**, your receipt totals will appear in your "Audit" form.
- If you have questions, click the link to send an e-mail to the NCGrants administrator and ask for help in resolving the differences. The administrator will forward your inquiries to your funding agency contact for assistance.

If the receipts shown for your fiscal year are correct, you are now ready to begin data entry.

NOTE: We have included a separate instructions sheet for each individual form. An index of the instructions for each form is provided on [page 14](#). You can click on the name of the form to go to the form.

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You should complete the Certification form last after you have entered all other data.

4. Select the report from your summary screen (dashboard) to complete first by clicking on the “Not Submitted” folder icon. The form will be pulled up by the program, with your organization’s identifying information filled in. **CHECK ALL THE INFORMATION TO BE SURE IT IS CORRECT.** It is vital that you have a contact person and contact e-mail address listed.
 - a. If you need to make changes to any of the contact data, go to the “Add/Modify Contact/Location” link on the left side of the screen. This allows you to add or edit contact information. If you have difficulties with this function, or need other information updated, go to the bottom of the form, select “Click here to make request to the NCGrants administrator.” Explain in the e-mail that will be generated what needs to be changed and why. Be sure to include your tax ID in the email. The NCGrants administrator will contact you for more information if needed. If all information needed is in your email, the administrator will make the changes and notify your funding agencies to update their records.
 - b. You may still complete the form even if some of your identifying data needs to be changed.
5. Complete each form just as you would have done previously for the hard-copy versions (with the exception of the Certification and Sworn Statement).
6. Each report requires that **ALL** data entry fields be completed before the program will allow the report to be submitted. If you miss a data field, the program will not let you submit the form until that field has been completed.
7. If you input some of your data but do not have the time or information to complete all fields, then you have the option to “save work in progress” by clicking the button at the bottom of each form. You may edit or revise reports that you save as “**Work in Progress.**” To make sure that you do not lose any data due to your server timing you out, we recommend that you save your work at least every 10 minutes. You also have the option to “clear all” which will delete any previously entered data.

Clear All

Save Work in Progress

Submit

Main Menu

8. Submit each report (by clicking the “submit” button at the bottom of the form), but **ONLY AFTER IT HAS BEEN COMPLETED IN ITS ENTIRETY** and you have verified the information entered. Once they have been submitted online you cannot make changes unless your funding agency rejects the form.
9. Once a report has been submitted, you will be taken back to your Grantee Summary Screen (dashboard) and the report you just submitted will now have a yellow folder icon that says “**submitted**” to indicate it has been received into the system. You may continue completing reports at this time, or you may log out and then log in another time to continue.

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10. Please use the link at the bottom of the screens to contact the NCGrants administrator regarding any questions you may have about your reports or your organization's information as it exists in the system.

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Section C

Specific Instructions for Grants Reporting Forms

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Effective Date September 1, 2009

Updated January 7, 2013

**Completion and Submission of
Certification**

All Reporters (Levels 1, 2, 3)

NOTE: In moving to the Grants Information Center on-line reporting system, grantees will no longer be required to have any of the forms signed and notarized. However, each grantee will still have to file a certification electronically, stating that all data is accurate and attesting that the grant funds have been used for their intended purpose.

**THE CERTIFICATION FORM SHOULD ONLY BE SUBMITTED AFTER YOU
HAVE COMPLETED ALL OTHER FORMS!**

1. Click on the blue folder icon that says “**not submitted**” under the column headed “Certification” to open the form. An example of the form is shown below.
2. Carefully read the statement to be sure that you can attest to the accuracy of the data entered into the Grants Information Center. Verify your organization’s name and fiscal year end are accurately reported by the program in the body of the statement. If the information is correct, go to step 3. If the information is incorrect, please use the contact NCGrants administrator link to inform us of the error so we may correct your organization’s information in the system.

EXAMPLE CERTIFICATION FORM

☐ By checking this box, the grantee is certifying the following:

"As the authorized representative of **Grantee Example**, I verify that the annual grant reports filed by **Grantee Example** represent all financial activity related to the receipt, use, and expenditure of grant funds for our fiscal year ending **6/30/2010** and that the expenditures reported were for the purposes appropriated by the General Assembly or collected by the State of North Carolina and in compliance with the applicable laws, regulations, and terms and conditions of the grant documents. Further, **Grantee Example** understands that any apparent violations of a criminal law or malfeasance, misfeasance, or nonfeasance in connection with the use of State funds shall be reported to the Attorney General and State Bureau of Investigation."

Name of person completing the required reports:

Name:

Title:

Date of This Report: (MM/DD/YYYY)(Please use calendar pop-up for better results)

Preparer of This Report NCID:

* For grant-related questions, such as incorrect award amounts, please contact your granting state agency. For technical assistance, [Click here](#) to make requests to the NC GRANTS Administrator

3. Please check the box in the upper left corner indicating you agree with the body of the certification statement and you are certifying the reports that are being submitted on

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behalf of your organization. By checking this box, you are certifying that the data is correct and that funds have been spent for their intended purpose. **This check has the same legal weight as did the notarized signatures previously required.**

4. Enter either your name and title (the person entering the data into NCGrants) **or the name of your authorizing official and title** in the data field boxes. Each grantee should establish a policy on how it will handle this process for itself. Should there be any questions on the accuracy of the data or should the State need to take legal action relative to any of the grants received by your organization, this is the person to whom those questions / actions would be addressed.
5. Please review your report prior to hitting the "Submit" button. You will not be able to edit/revise the report once it has been submitted once your grantor approves your submission. For your records, please **REMEMBER TO PRINT YOUR REPORT.**
 - a. To print prior to submission, click the print icon in your top menu bar.
 - b. To print after you submit, click on the yellow folder icon that says "**submitted**" on your dashboard to open the form. You will see the print icon at the top of the page. This will print exactly what is showing in NCGrants.
6. Once you have submitted the report, you will be taken back to your Grantee Summary Screen where the report just submitted will now show a yellow folder icon that says "**submitted**" to indicate it has been received by the system.
7. Once your funding agencies review and approve, your dashboard will show a green folder icon that says "**approved.**" If your grantor rejects your forms, your dashboard will show a red folder icon that says "**rejected-make corrections.**" This will unlock the form and allow you to make any changes needed.
8. If you have any questions during the completion of this report, please use the contact NCGrants administrator link at the bottom of the page.

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**Completion and Submission of
State Grants Compliance Reporting for Receipt of Less than \$25,000**

Level 1 Reporters Only

NOTE: Log into NCGrants, then call up and print each of the reports to see the identifying information for your organization and the data on the grants covered under G.S. 143C-6-23 prior to beginning your data entry. This should make the task of entering you data easier since you will be able to gather all the needed data before you start entry.

1. Click on the blue folder icon that says “**not submitted**” under the column headed “State Grants Compliance Reporting < \$25,000” to open the form. An example of the form is shown on pages 18-20.
2. Verify your organization’s name, federal tax identification number, fiscal year end, mailing address, phone number, fax number, contact person, contact title and contact e-mail address are accurately reported by the program in #1 of the form. The contact name and e-mail are very important, as this is the person to whom any of the automated messages from the Grants Information Center will be sent.
 - a. **If the information is incorrect**, please use the “Add/Update Contact/Location” link on the left side of the screen to update your organization’s information in the system.
 - i. You will need to either overwrite the information currently in the system and click “update” or,
 - ii. Uncheck the “active” box on the old contact and click “update.” Then enter a new contact in the next line, checking the “active” box there before clicking “update.”
 - b. **If the information is correct**, continue to question #2.
3. For question #2, enter the name of the preparer of the report in the available data field, as well as the preparer’s telephone number. Also, please indicate whether the preparer is an employee of the organization or a CPA. The preparer may be the same person who is logged into NCGrants and is entering the data, or it may be a different person.
4. For question #3, you will enter the names and titles of your Board members **for the year for which you are filing your reports**. All Board members should be listed.
 - a. To enter, type the name of your first board member in the designated field. Enter the member’s title (Ex: Chair, Secretary, etc., or Member for those who do not hold an office on the Board.) in the designated space.
 - b. Click the “More” link to add another line. Continue until you have entered all your board members.

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EXAMPLE: STATE GRANTS COMPLIANCE REPORTING RECEIPT OF < \$25,000

1. Organization	
Name	Example Grantee
Tax ID #:	123456789
Organization Fiscal Year End (mmddyyyy)	June,2010
Mailing Address (street, city, state, zip code)	123 Main Street, Raleigh, NC 27603
Phone Number (area code + number)	xxx-xxx-xxxx
Contact Person	John Doe
Contact Person Title	Director
E-Mail Address	John.Doe@example.com
Modify the contact details assigned to this grant	

2. Preparer <i>[please indicate who prepared this information by checking]</i>	
Name of Preparer	<input type="text"/>
Phone Number	<input type="text"/>
Date of This Report:	<input type="text" value="04/28/2010"/>
Preparer of This Report NCID:	<input type="text" value="OSBMADMIN2"/>
<input checked="" type="radio"/> Employee <input type="radio"/> CPA/Accountant	

Please provide a list of the Organization's Board Members	
Name of Board Member	Board Member Title
<input type="text"/>	<input type="text"/> More

G.S. 143C-6-23 and the North Carolina Administrative Code 09 NCAC 03M requires that every non-State entity that receives, uses, or expends any State funds shall use or expend the funds only for the purposes for which they were appropriated, and that the grantee must have a Conflict of Interest Policy. Please answer the following questions

4. What restrictions are placed upon the grant by the grant award document? If the grant award document does not identify specific restrictions, please identify the intended use of the grant funds as

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included in the award document.	
Contract #	Brief Description of Restrictions
G2012335650	Only approved equipment items can be purchased with funds.
5. Does the organization have a Conflict of Interest policy?	
<input style="width: 50px;" type="text"/> ▼	
6. Is the organization a for profit entity?	
<input style="width: 50px;" type="text"/> ▼	

G.S. 143C-6-23 and the North Carolina Administrative Code 09 NCAC 03M requires that every non-State entity that receives, uses, or expends any State funds shall use or expend the funds only for the purposes for which they were appropriated, and if the grantee then subgrants or pass any or part of those funds to another organization, then the granting organization must also pass on the reporting requirements to the subgrantee. Please answer the following questions

7. Did the organization subgrant or pass down any funds to another organization?		<input style="width: 50px;" type="text"/> ▼
a. Name of subgrantee	b. Program name	c. ♦ Amount subgranted
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/> More

8. Financial Accounting *[Complete based on total dollars received from the State, listing all State agencies that granted funds to your organization using the cash basis.]*

a. Receipts			
Funding State Agency		Grant/Title	Grant Total
Insurance	1	Volunteer Fire Department Fund	\$4,092.35
Total Receipts			\$4,092.35

b. Expenditures	
Category	Volunteer Fire Department Fund
Salary/Wages/Benefits	<input style="width: 50px;" type="text"/> 0
Contracted Services	<input style="width: 50px;" type="text"/> 0
Supplies and Materials	<input style="width: 50px;" type="text"/> 0
Travel (example employee mileage, meals, hotel)	<input style="width: 50px;" type="text"/> 0

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Communication Costs (example telephone, postage, freight)	<input type="text" value="0"/>
Occupancy Costs (example rent, utilities, repair and maintenance)	<input type="text" value="0"/>
Advertising and Promotions	<input type="text" value="0"/>
Insurance and Bonding	<input type="text" value="0"/>
Capital Outlay (example furniture/equipment, data processing)	<input type="text" value="0"/>
Grants and Contracts	<input type="text" value="0"/>
Fundraising	<input type="text" value="0"/>
Other: <input type="text" value="<Expense Des"/> More	<input type="text" value="0"/>
Total Expenditures	\$ <input type="text" value="0"/>

Unexpended Grant Balance Available for Expenditure

Beginning of the year	<input type="text" value="0"/>
End of the year	<input type="text" value="0"/>

9. Program Activities and Accomplishments - In compliance with the requirements of G.S. 143C-6-23, *Use of State funds by non-State entities*, the following is a description of activities and accomplishments undertaken by our organization using the provided state funding

Program Name	Original Goals	Brief Narrative of Program Accomplishments
Volunteer Fire Department Fund	<p>Used of 500 Characters Allowed</p> <div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	<p>Used of 500 Characters Allowed</p> <div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>

Clear All

Save Work in Progress

Main Menu

Submit

* For grant-related questions, such as incorrect award amounts, please contact your granting state agency. For technical assistance, [Click here](#) to make requests to the NC GRANTS Administrator

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Remember, you can “[save work in progress](#)” at any point in time. This will allow you to go back and edit or change your data prior to submitting the final report.

5. Question #4 will show the Grant Contract Number and specific grant restrictions will be pre-populated based on information entered by your grantor when the award was set up.
6. In question #5, please indicate whether you have a conflict of interest policy, which should be on file with your funding agencies. This is a drop down where you will select “yes” or “no.”
7. In question #6, please indicate whether you are a for profit entity. This is a drop down where you will select “yes” or “no.”
8. Next indicate whether or not you have made any subgrants by:
 - a. Selecting “yes” or “no” from the drop down list for question #7. If yes, complete sections “a”, “b”, and “c” for each subgrantee. You can add more lines for additional subgrantees by clicking on “more.” If you have no subgrantees, go to question #8 on the form.
9. Please review all information that has been pre-populated by the program in section #8 a., Financial Accounting. **If you feel the information in Section “a” is incorrect or your records show different totals**, please use the contact NCGrants administrator link at the bottom of the page to inform us of the error. OSBM will provide contact information for your funding agency/agencies to have them work with you to resolve any differences and/or have the data in NCGrants modified. **REMEMBER**, you cannot add a column or change the receipts. You must contact the NCGrants administrator and your funding agency to resolve the problem BEFORE you complete this form.
10. **If the information in Section #8a is correct**, please continue with the remainder of the report by entering your Expenditure information for the program (grant) identified by the system.
 - a. You must enter some amount for each expenditure line item for the report to be accepted by the system. For categories in which you do not enter expenditures, the system will enter 0. You may enter dollars and cents, but will have to put in the decimal. When you enter your expenditures, enter as follows: for an expenditure of \$1,234.56, you would input 1234.56. DO NOT enter “\$” or “,” in the expenditure fields.
 - b. If you cannot find a needed category, please select “Other” and then identify the expenditure in the data field that will appear and the amount. You may enter more than one type of expenditure in the “Other” category by selecting the “More” button.
11. Under the Unexpended Cash Balance heading, please be sure totals are showing in both the “Beginning of the Year” and “End of the Year” data fields. The Beginning of the Year balance will be 0 unless you had an approved carryover. The End of the Year balance will either be 0 or a positive number if you have approved carryover.

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- a. **Effective July 1, 2010:** if you have an approved carryover, a report will automatically be generated for the following fiscal year based on that carryover total. Be sure your Beginning of the Year and End of the Year balances are correct, or your carryover amounts may show up incorrectly on future reports.

NOTE: The Beginning of the Year and End of the Year balance fields are **only** for use by those grantees receiving cash-advance grants.

Reimbursement-based grantees should always have a Beginning of the Year and End of the Year balance of zero.

12. Please continue to Section #9, Program Activities and Accomplishments.

- a. Please input original goals and program accomplishments data for the program in question. You have a 500 character limit on this space, so keep the information brief and to the point. The counter at the top of each data entry box will show you how many characters you have entered.
- i. Example Goal: Immunize 200 children between ages 2 and 5 in New Hanover Co.
 - ii. Example Accomplishments: Immunized 150 children between ages 2 and 5 in New Hanover Co.; set up appointments with 50 additional children to come in within two months.

13. Please review your report prior to hitting the “Submit” button. You will not be able to edit/revise the report once your report is submitted. For your records, REMEMBER TO PRINT YOUR REPORT.

- a. To print prior to submission, click the print icon in your top menu bar.
- b. To print after you submit, click on the yellow folder icon that says “**submitted**” on your dashboard to open the form. You will see the print icon at the top of the page. This will print exactly what is showing in NCGrants.

14. Once you have submitted the report, you will be taken back to your Grantee Summary Screen where the report just submitted will show a yellow folder icon that says “**submitted**” to indicate it has been received by the system.

15. Once your funding agencies review and approve, your dashboard will show a green folder icon that says “**approved**.”

16. If your grantor rejects your forms, your dashboard will show a red folder icon with an “X” that says “**rejected-make corrections**.” This will unlock the form and allow you to make any changes needed.

17. If you have any questions during the completion of this report, please use the contact NCGrants administrator link at the bottom of the page.

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**Completion and Submission of
State Grants Compliance Reporting for Receipt of \$25,000 or More****

Level 2 and 3 Reporters

NOTE: Log into NCGrants, then call up and print each of the reports to see the identifying information for your organization and the data on the grants covered under G.S. 143C-6-23 prior to beginning your data entry.

1. Click on the blue folder icon marked “**not submitted**” under the column headed “State Grants Compliance Reporting ≥\$25,000” to open the form. An example of the form can be found on pages 24 and 25.
2. Verify your organization’s name, federal tax identification number, fiscal year end, mailing address, phone number, fax number, contact person, contact title and contact e-mail address are accurately reported by the program in #1 of the form. The contact name and e-mail are very important, as this is the person to whom any of the automated messages from the Grants Information Center will be sent.
 - a. **If the information is incorrect**, please use the “Add/Update Contact/Location” link on the left side of the screen to update your organization’s information in the system.
 - i. You will need to either overwrite the information currently in the system and click “update” or,
 - ii. Uncheck the “active” box on the old contact and click “update.” Then enter a new contact in the next line, checking the “active” box there before clicking “update.”
 - b. **If the information is correct**, continue to question #2.
3. For question #2, enter the name of the preparer of the report in the available data field, as well as the preparer’s telephone number. Also, please indicate whether the preparer is an employee of the organization or a CPA. The preparer may be the same person who is logged into NCGrants and is entering the data, or it may be a different person.
4. For question #3, you will enter the names and titles of your Board members **for the year for which you are filing your reports**. All Board members should be listed.
 - a. To enter, type the name of your first board member in the designated field. Enter the member’s title (Ex: Chair, Secretary, etc., or Member for those who do not hold an office on the Board.) in the designated space.
 - b. Click the “More” link to add another line. Continue until you have entered all your board members.

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EXAMPLE: STATE GRANTS COMPLIANCE REPORTING RECEIPT OF \geq \$25,000

1. Organization	
Name	Example Grantee
Tax ID #:	123456789
Organization Fiscal Year End (mmddyyyy)	September,2010
Mailing Address (street, city, state, zip code)	123 Main Street, Raleigh NC 27603
Phone Number (area code + number)	xxx-xxx-xxxx
Contact Person	John Doe
Contact Person Title	Executive Director
E-Mail Address	John.doe@123.com
Modify the contact details assigned to this grant	

2. Preparer [please indicate who prepared this information by checking]	
Name of Preparer	<input type="text"/>
Phone Number	<input type="text"/>
Date of This Report:	<input type="text" value="05/11/2010"/>
Preparer of This Report NCID:	<input type="text" value="OSBADMIN2"/>
<div><input checked="" type="radio"/> Employee <input type="radio"/> CPA/Accountant</div>	

Please provide a list of the Organization's Board Members	
Name of Board Member	Board Member Title
<input type="text"/>	<input type="text"/> More

G.S. 143C-6-23 and the North Carolina Administrative Code 09 NCAC 03M requires that every non-State entity that receives, uses, or expends any State funds shall use or expend the funds only for the purposes for which they were appropriated, and that the grantee must have a Conflict of Interest Policy. Please answer the following questions

4. What restrictions are placed upon the grant by the grant award document? If

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the grant award document does not identify specific restrictions, please identify the intended use of the grant funds as included in the award document.		
Contract #	Brief Description of Restrictions	
G2020219621		
5. Does the organization have a Conflict of Interest policy?		
<input type="text"/>		
6. Is the organization a for profit entity?		
<input type="text"/>		
G.S. 143C-6-23 and the North Carolina Administrative Code 09 NCAC 03M requires that every non-State entity that receives, uses, or expends any State funds shall use or expend the funds only for the purposes for which they were appropriated, and if the grantee then subgrants or pass any or part of those funds to another organization, then the granting organization must also pass on the reporting requirements to the subgrantee. Please answer the following questions		
7. Did the organization subgrant or pass down any funds to another organization?		<input type="text"/>
a. Name of subgrantee	b. Program name	c. ♦ Amount subgranted
<input type="text"/>	<input type="text"/>	<input type="text"/> More
8. Program Activities and Accomplishments		
Recipient must complete and submit a separate Program Activities and Accomplishments Report, detailing the program name, the original goals of each program, and a brief narrative of program accomplishments for each funded program. This information is required of all recipients of state funding in an amount greater than or equal to \$25,000..		

Clear All

Save Work in Progress

Main Menu

Submit

* For grant-related questions, such as incorrect award amounts, please contact your granting state agency. For technical assistance, [Click here](#) to make requests to the NC GRANTS Administrator

**** Level 3 reporters will also have beginning and end of year balance fields on this report. If any of the grantee's contracts were cash-advance contracts and the grantee had funds remaining at the end of the fiscal year, those funds would need to be noted here.**

Remember, you can “[save work in progress](#)” at any point in time. This will allow you to go back and edit or change your data prior to submitting the final report.

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5. Question #4 will show the NCGrants Contract Number and specific grant restrictions will be pre-populated based on information entered by your grantor when the award was set up.
6. In question #5, please indicate whether you have a conflict of interest policy, which should be on file with your funding agencies. This is a drop down where you will select “yes” or “no”.
7. In question #6, please indicate whether you are a for profit entity. This is a drop down where you will select “yes” or “no”.
8. Next indicate whether or not you have made any subgrants by:
 - a. Please select “yes” or “no” from the drop down list for question #7. If yes, complete sections “a”, “b”, and “c” for each subgrantee. You can add more lines for additional subgrantees by clicking on “more.” If you have no subgrantees, then go to question #8 on the form.
9. As a Level 2 reporter, you are required to complete a separate program activities and accomplishments form for each grant. You also have to complete a separate receipts and expenditures form which will list all grants. See instructions on the following pages.
 - a. **Effective August 2010:** Level 3 grantees will have two additional fields at the end of their State Grants Compliance Reporting Receipt of $\geq \$25,000$ form, under the heading “Unexpended Cash Balance (do NOT use with reimbursement grants).” Those two fields are:
 - i. **Beginning of the Year:** This field will be 0 unless you had an approved carryover.
 - ii. **End of the Year:** This field will either be 0 or a positive number, depending on whether you had an approved carryover.

NOTE: The Beginning of the Year and End of the Year balance fields are **only** for use by those grantees receiving cash-advance grants.

Reimbursement-based grantees should always have a Beginning of the Year and End of the Year balance of zero.
10. Please review your report prior to hitting the “Submit” button. You will not be able to edit/revise the report once your report is submitted. For your records, REMEMBER TO PRINT YOUR REPORT.
 - a. To print prior to submission, click the print icon in your top menu bar.
 - b. To print after you submit, click on the yellow folder icon that says “**submitted**” on your dashboard to open the form. You will see the print icon at the top of the page. This will print exactly what is showing in NCGrants.
11. Once you have submitted the report, you will be taken back to your Grantee Summary Screen where the report just submitted will show a yellow folder icon that says “**submitted**” to indicate it has been received by the system.
12. Once your funding agencies review and approve, your dashboard will show a green folder icon that says “**approved.**”

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13. If your grantor rejects your forms, your dashboard will show a red folder icon with an "X" that says "**rejected-make corrections.**" This will unlock the form and allow you to make any changes needed.
14. If you have any questions during the completion of this report, please use the contact NCGrants administrator link at the bottom of the page.

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**Completion and Submission of
Schedule of Receipts and Expenditures**

Level 2 Reporters Only

NOTE: Log into NCGrants, then call up and print each of the reports to see the identifying information for your organization and the data on the grants covered under G.S. 143C-6-23 prior to beginning your data entry.

Remember, all receipts and expenditures reporting is on a CASH basis and is for YOUR fiscal year.

1. Click on the blue folder icon marked “**not submitted**” under the column headed “Schedule of Receipts and Expenditures” to open the form. An example of the form can be found on pages 28-30.
 - a. **If the information is incorrect**, please use the “Add/Update Contact/Location” link on the left side of the screen to update your organization’s information in the system.
 - i. You will need to either overwrite the information currently in the system and click “update” or,
 - ii. Uncheck the “active” box on the old contact and click “update.” Then enter a new contact in the next line, checking the “active” box there before clicking “update.”
 - b. **If the information is correct**, continue to complete the form.
2. Please review all information that has been pre-populated by the program in Section a: Receipts.
 - a. If you feel the information in Section a: Receipts is incorrect, please use the contact NCGrants administrator link at the bottom of the page to explain your concerns. The administrator will forward your email to your funding agency/agencies to work directly with you to verify the correct information and revise the information in the system if needed. **REMEMBER**, you cannot add a column or change the receipts. You must contact the NCGrants administrator and your granting agency to resolve the problem **BEFORE** you complete this form.
 - b. If the information in Section a: Receipts is correct, please continue with the remainder of the report.

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EXAMPLE: SCHEDULE OF RECEIPTS AND EXPENDITURES

Organization			
Name		Example Grantee	
Tax ID #:		123456789	
Fiscal Year Ended:		December, 2009	
Address:		123 Main Street, Raleigh, NC 27603	
Contact Information:		John Doe	
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Modify the Contact Details Assigned to this Grant </div>			
Date of This Report:		<input type="text" value="05/03/2010"/>	
Preparer of This Report NCID:		<input type="text" value="OSBMADMIN2"/>	
a. Receipts:			
Funding State Agency		Programs/Title	Program Total
Public Health	1	Cancer/Breast & Cervical Cancer Control (BCCCP) - 01106-08	\$123,456.78
Total Receipts:			\$123,456.78
Expenditures:			
Category	Cancer/Breast & Cervical Cancer Control (BCCCP) - 01106-08		
Personnel	<input type="text" value="0"/>		
Contracted Services	<input type="text" value="0"/>		
(a)Total Personnel/Contracted Svcs Costs:	<input type="text" value="0"/>		
Office Supplies & Materials	<input type="text" value="0"/>		
Service Related Supplies	<input type="text" value="0"/>		
(b)Total Supplies & Material Costs:	<input type="text" value="0"/>		

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OFFICE OF STATE BUDGET AND MANAGEMENT**

Effective Date September 1, 2009

Updated January 7, 2013

Travel	<input type="text" value="0"/>
Communications & Postage	<input type="text" value="0"/>
Utilities	<input type="text" value="0"/>
Printing & Binding	<input type="text" value="0"/>
Repair & Maintenance	<input type="text" value="0"/>
Meeting/Conference Expense	<input type="text" value="0"/>
Employee Training (no travel)	<input type="text" value="0"/>
Classified Advertising	<input type="text" value="0"/>
In-State Board Meeting Expenses	<input type="text" value="0"/>
(c)Total Non-Fixed Operating Expense:	<input type="text" value="0"/>
Office Rent (Land, Buildings, etc.)	<input type="text" value="0"/>
Furniture Rental	<input type="text" value="0"/>
Equipment Rental (Phones, Computers, etc.)	<input type="text" value="0"/>
Vehicle Rental	<input type="text" value="0"/>
Dues & Subscriptions	<input type="text" value="0"/>
Insurance & Bonding	<input type="text" value="0"/>
Books/Library Reference Materials	<input type="text" value="0"/>
Mortgage Principal, Interest and Bank Fees	<input type="text" value="0"/>
(d)Total Fixed Charges & Other Expenses	<input type="text" value="0"/>
Buildings & Improvements	<input type="text" value="0"/>

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Leasehold Improvements	0
Furniture/Non-Computer Equip., \$500+ per item	0
Computer Equipment/Printers, \$500+ per item	0
Furniture/Equip., under \$500 per item	0
(e)Total Property & Equipment Outlay:	0
Purchase of Services	0
Contracts with Service Providers	0
Stipends/Scholarships/Bonuses/Grants	0
(f)Total Services/Contracts:	0
Other: <input type="text" value="<Expense Des"/> More	0
Food	0
(g)Total Other Expenses:	0
Total Expenditures: (Sum a thru g):	0
Unexpended Grant Balance Available for Expenditure:	
Beginning of the Year	0
End of the Year	0

NOTE: If total receipts, expenditures, beginning or ending unexpended grant balance available for expenditures is \$500,000 or more, an audit is required by G.S. 143C-6-23

Clear All

Save Work in Progress

Main Menu

Submit

* For grant-related questions, such as incorrect award amounts, please contact your granting state agency. For technical assistance, [Click here](#) to make requests to the NC GRANTS Administrator

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Remember, you can “[save work in progress](#)” at any point in time. This will allow you to go back and edit or change your data prior to submitting the final report.

3. You must enter some amount for each expenditure line item for the report to be accepted by the system. For categories in which you do not enter expenditures, the system will enter 0. You may enter dollars and cents, but will have to put in the decimal. You cannot use the “\$”, or “,” as you enter your expenditures. For example, an expenditure of \$1,234.56 would be entered as 1234.56.
4. If you cannot find a needed category, please select “Other” and then identify the expenditure in the data field that will appear and the amount in the corresponding column. You may enter more than one type of expenditure in the “Other” category by selecting the “More” button.
5. Under the Unexpended Cash Balance heading, please be sure totals are showing in both the “Beginning of the Year” and “End of the Year” data fields. The Beginning of the Year balance will be 0 unless you had an approved carryover. The End of the Year balance will either be 0 or a positive number if you have approved carryover.
 - a. **Effective July 1, 2010:** if you have an approved carryover, a report will automatically be generated for the following fiscal year based on that carryover total. Be sure your Beginning of the Year and End of the Year balances are correct, or your carryover amounts may show up incorrectly on future reports.

NOTE: The Beginning of the Year and End of the Year balance fields are **only** for use by those grantees receiving cash-advance grants.

Reimbursement-based grantees should always have a Beginning of the Year and End of the Year balance of zero.
6. Please review your report prior to hitting the “Submit” button. You will not be able to edit/revise the report once it has been submitted. For your records, REMEMBER TO PRINT YOUR REPORT.
 - a. To print prior to submission, click the print icon in your top menu bar.
 - b. To print after you submit, click on the yellow folder icon that says “**submitted**” on your dashboard to open the form. You will see the print icon at the top of the page. This will print exactly what is showing in NCGrants.
7. Once you have submitted the report, you will be taken back to your Grantee Summary Screen where the report just submitted will show a yellow folder icon that says “**submitted**” to indicate it has been received by the system.
8. Once your funding agencies review and approve, your dashboard will show a green folder icon that says “**approved.**”
9. If your grantor rejects your forms, your dashboard will show a red folder icon with an “X” that says “**rejected-make corrections.**” This will unlock the form and allow you to make any changes needed.
10. If you have any questions during the completion of this report, please use the contact NCGrants administrator link at the bottom of the page.

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**Completion and Submission of
Program Activities and Accomplishments Report**

Level 2 and 3 Reporters

NOTE: Log into NCGrants, then call up and print each of the reports to see the identifying information for your organization and the data on the grants covered under G.S. 143C-6-23 prior to beginning your data entry.

You may draft your Program Activities and Accomplishments Report responses in a Word document, then cut and paste your answers into NCGrants. If you have multiple grants, you may submit a report for each grant at different sittings, if you wish. You must submit all required Program Activities and Accomplishments Reports prior to your due date to be in full compliance.

1. Click on the blue folder icon that says “**not submitted**” under the column headed “Program Activities and Accomplishments” to open the form. An example of the form is shown on page 33.
2. Verify your organization’s name, federal tax identification number, program name, project/activity title, fiscal year end, date of the report and preparer of the report at the top of the form.
 - a. **If the information is incorrect**, please use the “Add/Update Contact/Location” link on the left side of the screen to update your organization’s information in the system.
 - i. You will need to either overwrite the information currently in the system and click “update” or,
 - ii. Uncheck the “active” box on the old contact and click “update.” Then enter a new contact in the next line, checking the “active” box there before clicking “update.”
 - b. **If the information is correct**, continue to questions 1-4 of the form.
3. The system will not accept the report if data has not been entered in all available data fields. You have a limit of 500 characters for each question. Please be brief and to the point. Each data entry field shows a counter at the top of the box letting you know how many characters you have used.
4. Please review your report prior to hitting the “Submit” button. You will not be able to edit/revise the report once it has been submitted. For your records, **REMEMBER TO PRINT YOUR REPORT.**
 - a. To print prior to submission, click the print icon in your top menu bar.
 - b. To print after you submit, click on the yellow folder icon that says “**submitted**” on your dashboard to open the form. You will see the print icon at the top of the page. This will print exactly what is showing in NCGrants.

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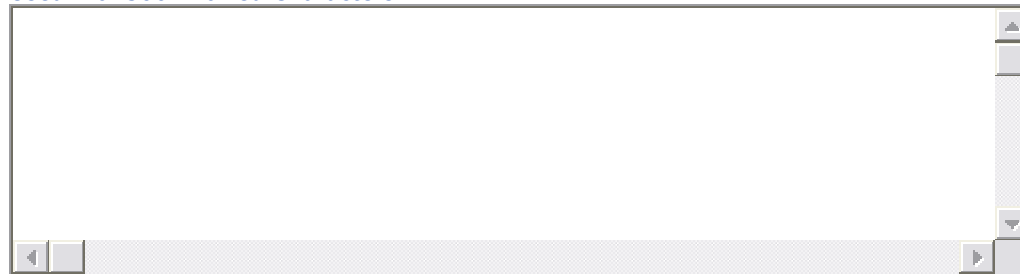
EXAMPLE: PROGRAM ACTIVITIES AND ACCOMPLISHMENTS REPORT

Grantee Name:	Example Grantee
Grantee Tax ID #:	123456789
Program Name:	Child & Adult Food Program
Grantee's Fiscal Year End: (mmddyy)	December,2008
Date of This Report:	05/04/2010
Preparer of This Report NCID:	OSBMADMIN2

In compliance with the requirements of G.S. 143C-6-23, *Use of State Funds by Non-State Entities*, the following is a description of activities and accomplishments undertaken by our organization using the provided state funding: Complete this report for each different program funded.

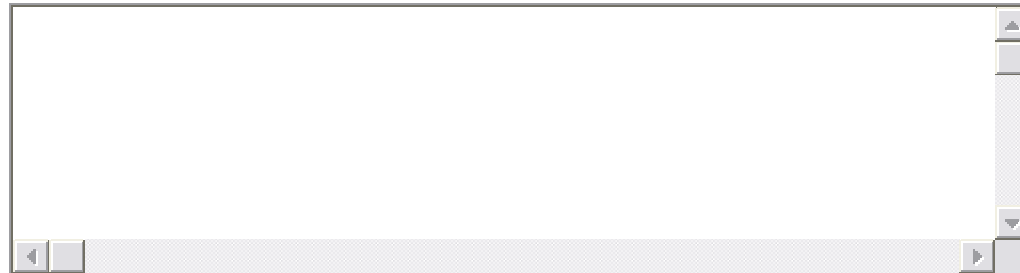
1. What were the original goals and expectations for the activity supported by this grant?

[Used 1 of 500 Allowed Characters](#)



2. If applicable, how have those goals and expectations been revised or refined during the course of the project?

[Used 1 of 500 Allowed Characters](#)



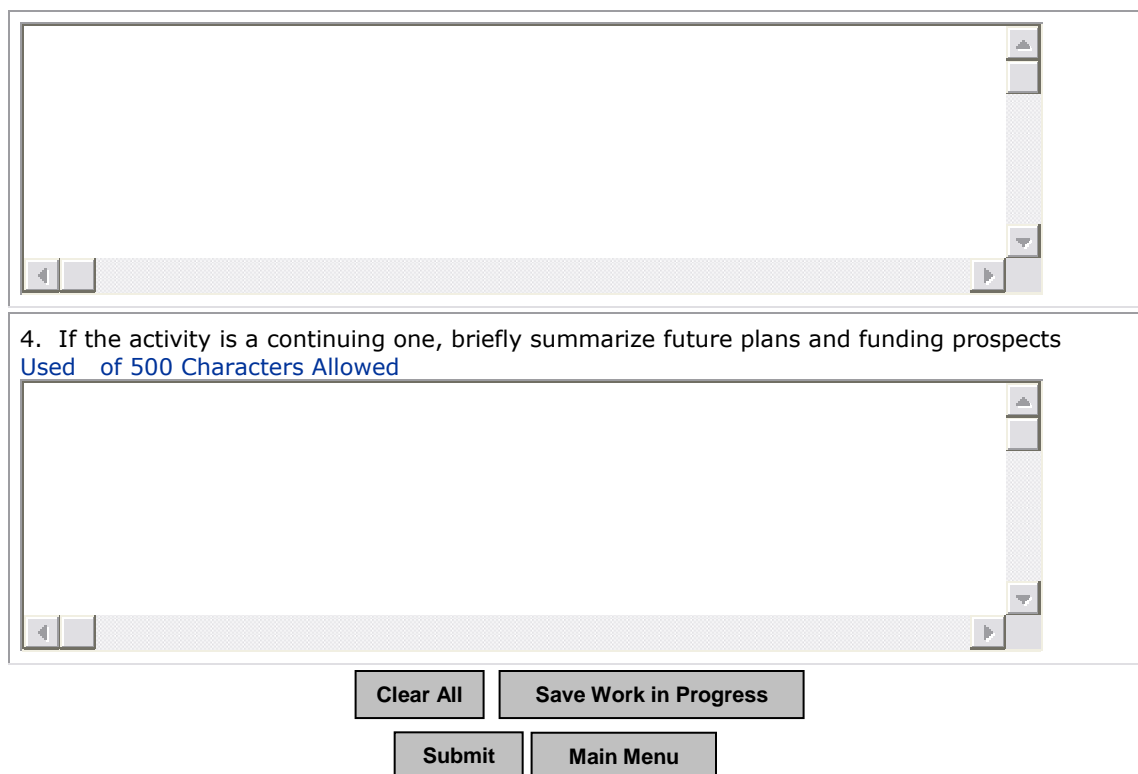
3. What has the activity accomplished with these grant funds? Please include specific information including facts and statistics to support conclusions and judgments about the activity's impact

[Used 1 of 500 Allowed Characters](#)

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4. If the activity is a continuing one, briefly summarize future plans and funding prospects
[Used of 500 Characters Allowed](#)

Clear All **Save Work in Progress**

Submit **Main Menu**

* For grant-related questions, such as incorrect award amounts, please contact your granting state agency.
For technical assistance, [Click here](#) to make requests to the NC GRANTS Administrator

Remember, you can “save [work in progress](#)” at any point in time. This will allow you to go back and edit or change your data prior to submitting the final report.

5. Once you have submitted the report, you will be taken back to your Grantee Summary Screen where the report just submitted will show a yellow folder icon that says “submitted” to indicate it has been received by the system.
6. Once your funding agencies review and approve, your dashboard will show a green folder icon that says “**approved.**”
7. If your grantor rejects your forms, your dashboard will show a red folder icon with an “X” that says “**rejected-make corrections.**” This will unlock the form and allow you to make any changes needed.
8. If you have any questions during the completion of this report, please use the contact NCGrants administrator link at the bottom of the page.

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**Submission of
Required Audit**

Level 3 Reporters Only

NOTE: If you receive, expend, or obligate over \$500,000 in State and Federal pass-through grants funds received directly from a State agency, then you must file a “yellow book” audit, done by a CPA, with your funding agencies and with the Office of State Budget and Management. The audit report must contain three key elements: 1) opinion of the CPA on your internal controls, 2) opinion of your CPA on your compliance with your grant terms, and 3) a schedule of Federal and State Awards.

Exception to Yellow Book Audit: If you expend more than \$500,000 in **Federal** grant funds FROM ALL SOURCES, then you must have an A-133 single audit performed. If you are at this level for federal reporting **AND** you are required to file a yellow book audit with the State under

G.S.143C-6-23, then you may substitute the A-133 audit for the yellow book audit.

Remember, if you are not required by G.S.143C-6-23 to submit an audit, you CANNOT submit the audit in place of any of the required forms!

1. Click on the blue folder icon that says “**not submitted**” under the column headed “Audit” to open the form. An example of the form is shown on page 36.
2. Verify your organization’s name, federal tax identification number, program name, project/activity title, fiscal year end, date of the report and preparer of the report at the top of the form.
 - a. **If the information is incorrect**, please use the “Add/Update Contact/Location” link on the left side of the screen to update your organization’s information in the system.
 - i. You will need to either overwrite the information currently in the system and click “update” or,
 - ii. Uncheck the “active” box on the old contact and click “update.” Then enter a new contact in the next line, checking the “active” box there before clicking “update.”
3. Confirm that the receipts shown on the form match what your records indicate you received on a CASH basis.
4. Go to the bottom of the form and select from the drop down the type audit you will be submitting.
5. Click the link to send an email to the NCGrants administrator to which you should attach a PDF version of your audit. **You do NOT need to send a hard copy of your audit.** After sending the email, you should return to the Audit page to complete your submission.
6. Click “submit” which will return you to your dashboard and will show a yellow folder icon that says “**submitted.**”

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7. If you have any questions during the completion of this report, please use the contact NCGrants administrator link at the bottom of the page.

EXAMPLE: TOTAL RECEIPTS REPORTED FOR AUDIT

Organization			
Name	Example Grantee		
Tax ID #:	123456789		
Fiscal Year Ended:	June, 2009		
Address:	123 Main Street, Raleigh, NC 27603		
Contact Information:	John Doe/xxx-xxx-xxxx/john.doe@123.com		
<div style="border: 1px solid black; padding: 2px; display: inline-block;">Modify the contact details assigned to this grant</div>			
Date of This Report:	05/04/2010		
Preparer of This Report NCID:	OSBMAADMIN2		
Receipts:			
Funding State Agency		Programs/Title	Program Total
State Treasurer	1	Obesity Initiative 2009 2008-07-01	\$59,239.18
Public Health	3	WH/Perinatal Outreach Coordination 2008-07-01	\$81,898.54
SEAA Student Loan	9	NC LEGISLATIVE TUITION GRANT 2009 2009-03-31	\$1,707,891.00
Aging	19	Duke University Medical Center 2008-07-01	\$91,912.32
Total Receipts:			\$1,940,941.04
Audit Type Being Submitted:		<div style="border: 1px solid black; padding: 2px; display: inline-block;">Select an Audit Type ▼</div>	
NEW Upload Audit Form*	05/04/2010	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Browse...</div>	ONLY PDF FORMAT OF AUDIT FORM IS ALLOWED TO BE UPLOADED
<div style="border: 1px solid black; padding: 5px; display: inline-block;">Close Window</div>			
<p>* For grant-related questions, such as incorrect award amounts, please contact your granting state agency. For technical assistance, Click here to make requests to the NC GRANTS Administrator</p>			

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Section D

APPENDICES

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Part 3. Non-State Entities Receiving State Funds.

§ 143C-6-21. (Effective July 1, 2007) Payments to nonprofits.

Except as otherwise provided by law, an annual appropriation of one hundred thousand dollars (\$100,000) or less to or for the use of a nonprofit corporation shall be made in a single annual payment. An annual appropriation of more than one hundred thousand dollars (\$100,000) to or for the use of a nonprofit corporation shall be made in quarterly or monthly payments, in the discretion of the Director of the Budget. (2006-203, s. 3.)

§ 143C-6-22. (Effective July 1, 2007) Use of State funds by non-State entities.

(a) Disbursement and Use of State Funds. – Every non-State entity that receives, uses, or expends any State funds shall use or expend the funds only for the purposes for which they were appropriated by the General Assembly. State funds include federal funds that flow through the State Treasury.

(b) Compliance by Non-State Entities. – If the Director of the Budget finds that a non-State entity has spent or encumbered State funds for an unauthorized purpose, or fails to submit or falsifies the information required by G.S. 143C-6-23 or any other provision of law, the Director shall take appropriate administrative action to ensure that no further irregularities or violations of law occur and shall report to the Attorney General any facts that pertain to an apparent violation of a criminal law or an apparent instance of malfeasance, misfeasance, or nonfeasance in connection with the use of State funds. Appropriate administrative action may include suspending or withholding the disbursement of State funds and recovering State funds previously disbursed.

(c) Civil Actions. – Civil actions to recover State funds or to obtain other mandatory orders in the name of the State on relation of the Attorney General, or in the name of the Office of State Budget and Management, shall be filed in the General Court of Justice in Wake County. (2006-203, s. 3.)

§ 143C-6-23. (Effective July 1, 2007) State grant funds: administration; oversight and reporting requirements.

(a) Definitions. – The following definitions apply in this section:

- (1) "Grant" and "grant funds" means State funds disbursed as a grant by a State agency; however, the terms do not include any payment made by the Medicaid program, the Teachers' and State Employees' Comprehensive Major Medical Plan, or other similar medical programs.
- (2) "Grantee" means a non-State entity that receives State funds as a grant from a State agency, but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission.
- (3) "Subgrantee" means a non-State entity that receives State funds as a grant from a grantee or from another subgrantee but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission.

(b) Conflict of Interest Policy. – Every grantee shall file with the State agency disbursing funds to the grantee a copy of that grantee's policy addressing conflicts of interest that may arise involving the grantee's management employees and the members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the grantee's employees or members of its board or other governing body, from the grantee's disbursing of State funds, and shall include actions to be taken by the grantee or the individual, or both, to avoid conflicts of interest and the appearance of impropriety. The policy shall be filed before the disbursing State agency may disburse the grant funds.

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(c) No Overdue Tax Debts. – Every grantee shall file with the State agency or department disbursing funds to the grantee a written statement completed by that grantee's board of directors or other governing body stating that the grantee does not have any overdue tax debts, as defined by G.S. 105-243.1, at the federal, State, or local level. The written statement shall be made under oath and shall be filed before the disbursing State agency or department may disburse the grant funds. A person who makes a false statement in violation of this subsection is guilty of a criminal offense punishable as provided by G.S. 143C-10-1.

(d) Office of State Budget Rules Must Require Uniform Administration of State Grants. – The Office of State Budget and Management shall adopt rules to ensure the uniform administration of State grants by all grantor State agencies and grantees or subgrantees. The Office of State Budget and Management shall consult with the Office of State Budget and Management and the Attorney General in establishing the rules required by this subsection. The rules shall establish policies and procedures for disbursements of State grants and for State agency oversight, monitoring, and evaluation of grantees and subgrantees. The policies and procedures shall:

- (1) Ensure that the purpose and reporting requirements of each grant are specified to the grantee.
- (2) Ensure that grantees specify the purpose and reporting requirements for grants made to subgrantees.
- (3) Ensure that State funds are spent in accordance with the purposes for which they were granted.
- (4) Hold the grantees and subgrantees accountable for the legal and appropriate expenditure of grant funds.
- (5) Provide for adequate oversight and monitoring to prevent the misuse of grant funds.
- (6) Establish mandatory periodic reporting requirements for grantees and subgrantees, including methods of reporting, to provide financial and program performance information. The mandatory periodic reporting requirements shall require grantees and subgrantees to file with the State Auditor copies of reports and statements that are filed with State agencies pursuant to this subsection. Compliance with the mandatory periodic reporting requirements of this subdivision shall not require grantees and subgrantees to file with the State Auditor the information described in subsections (b) and (c) of this section.
- (7) Require grantees and subgrantees to maintain reports, records, and other information to properly account for the expenditure of all grant funds and to make such reports, records, and other information available to the grantor State agency for oversight, monitoring, and evaluation purposes.
- (8) Require grantees and subgrantees to ensure that work papers in the possession of their auditors are available to the State Auditor for the purposes set out in subsection (i) of this section.
- (9) Require grantees to be responsible for managing and monitoring each project, program, or activity supported by grant funds and each subgrantee project, program, or activity supported by grant funds.
- (10) Provide procedures for the suspension of further disbursements or use of grant funds for noncompliance with these rules or other inappropriate use of the funds.
- (11) Provide procedures for use in appropriate circumstances for reinstatement of disbursements that have been suspended for noncompliance with these rules or other inappropriate use of grant funds.

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(12) Provide procedures for the recovery and return to the grantor State agency of unexpended grant funds from a grantee or subgrantee if the grantee or subgrantee is unable to fulfill the purposes of the grant.

(e) Rules Are Subject to the Administrative Procedure Act. – Notwithstanding the provisions of G.S. 150B-2(8a)b. rules adopted pursuant to subsection (d) of this section are subject to the provisions of Chapter 150B of the General Statutes.

(f) Suspension and Recovery of Funds to Grant Recipients for Noncompliance. – The Office of State Budget and Management, after consultation with the administering State agency, shall have the power to suspend disbursement of grant funds to grantees or subgrantees, to prevent further use of grant funds already disbursed, and to recover grant funds already disbursed for noncompliance with rules adopted pursuant to subsection (d) of this section. If the grant funds are a pass-through of funds granted by an agency of the United States, then the Office of State Budget and Management must consult with the granting agency of the United States and the State agency that is the recipient of the pass-through funds prior to taking the actions authorized by this subsection.

(g) Audit Oversight. – The State Auditor has audit oversight, with respect to grant funds received by the grantee or subgrantee, pursuant to Article 5A of Chapter 147 of the General Statutes, of every grantee or subgrantee that receives, uses, or expends grant funds. A grantee or subgrantee must, upon request, furnish to the State Auditor for audit all books, records, and other information necessary for the State Auditor to account fully for the use and expenditure of grant funds received by the grantee or subgrantee. The grantee or subgrantee must furnish any additional financial or budgetary information requested by the State Auditor, including audit work papers in the possession of any auditor of a grantee or subgrantee directly related to the use and expenditure of grant funds.

(h) Report on Grant Recipients That Failed to Comply. – Not later than May 1, 2007, and by May 1 of every succeeding year, the Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on all grantees or subgrantees that failed to comply with this section with respect to grant funds received in the prior fiscal year.

(i) State Agencies to Submit Grant List to Auditor. – No later than October 1 of each year, each State agency shall submit a list to the State Auditor, in the format prescribed by the State Auditor, of every grantee to which the agency disbursed grant funds in the prior fiscal year. The list shall include the amount disbursed to each grantee and other information as required by the State Auditor to comply with the requirements of this section. (2006-203, s. 3.)

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SUBCHAPTER 03M – UNIFORM ADMINISTRATION OF STATE GRANTS

SECTION .0100 - ORGANIZATION AND FUNCTION

09 NCAC 03M .0101 PURPOSE

Pursuant to G.S. 143C-6-23, the rules in this Subchapter establish reporting requirements for non-State entities that receive, use, or expend State funds and ensure the uniform administration of State grants by all grantor State agencies, grantee, and subgrantees.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005;
Amended Eff. October 1, 2007.*

09 NCAC 03M .0102 DEFINITIONS

As used in this Subchapter:

- (1) "Agency" shall mean and include every public office, public officer or official (State or local, elected or appointed), institution, board, commission, bureau, council, department, authority or other unit of government of the State or of any county, unit, special district or other political subdivision of government.
- (2) "Audit" means an examination of records or financial accounts to verify their accuracy.
- (3) "Certification of Compliance" means a report provided by the grantor agency to the Office of the State Auditor that states that the grantee has met the reporting requirements established by this Subchapter and included a statement of certification by the grantor agency and copies of the submitted grantee reporting package.
- (4) "Compliance Supplement" refers to the North Carolina State Compliance Supplement, maintained by the State and Local Government Finance Division within the North Carolina Department of State Treasurer that has been developed in cooperation with agencies to assist the local auditor in identifying program compliance requirements and audit procedures for testing those requirements.
- (5) "Contract" means a legal instrument that is used to reflect a relationship between the agency, grantee, and subgrantee.
- (6) "Fiscal Year" means the annual operating year of the non-State entity.
- (7) "Financial Assistance" means assistance that non-State entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance. Financial assistance does not include amounts received as reimbursement for services rendered to individuals for Medicare and Medicaid patient services.
- (8) "Financial Statement" means a report providing financial statistics relative to a given part of an organization's operations or status.
- (9) "Grant" means financial assistance provided by an agency, grantee, or subgrantee to carry out activities whereby the grantor anticipates no programmatic involvement with the grantee or subgrantee during the performance of the grant.
- (10) "Grantee" has the meaning in G.S. 143C-6-23(a)(2).
- (11) "Grantor" means an entity that provides resources, generally financial, to another entity in order to achieve a specified goal or objective.
- (12) "Non-State Entity" has the meaning in G.S. 143C-1-1(d)(18).
- (13) "Public Authority" has the meaning in G.S. 159-7(10).

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- (14) "Single Audit" means an audit that includes an examination of an organization's financial statements, internal controls, and compliance with the requirements of Federal or State awards.
- (15) "Special Appropriation" means a legislative act authorizing the expenditure of a designated amount of public funds for a specific purpose.
- (16) "State Funds" means any funds appropriated by the North Carolina General Assembly or collected by the State of North Carolina. State funds include federal financial assistance received by the State and transferred or disbursed to non-State entities. Both Federal and State funds maintain their identity as they are subgranted to other organizations.
- (17) "Subgrantee" has the meaning in G.S. 143C-6-23(a)(3).
- (18) "Unit of Local Government" has the meaning in G.S. 159-7(15).

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005;
Amended Eff. October 1, 2007.*

SECTION .0200 - RESPONSIBILITIES OF GRANTEES AND SUBGRANTEES

09 NCAC 03M .0201 ALLOWABLE USES OF STATE FUNDS

Expenditures of State funds by any grantee shall be in accordance with the Cost Principles outlined in the Office of Management and Budget (OMB) Circular A-87. If the grant funding includes federal sources, the grantee shall ensure adherence to the cost principles established by the Federal Office of Management and Budget.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

09 NCAC 03M .0202 GRANTEE RESPONSIBILITIES

A grantee that receives State funds shall ensure that those funds are utilized for the purpose of the grant and shall expend those funds in compliance with reporting requirements established by this Subchapter. Grantees shall:

- (1) Provide the information required by the grantor agency in order to comply with the procedures for disbursement of grant funds.
- (2) Maintain reports and accounting records that support the allowable expenditure of State funds. All reports and records shall be made available for inspection by both the awarding agency and the Office of the State Auditor for oversight, monitoring, and evaluation purposes.
- (3) Ensure that subgrantees comply with all reporting requirements of the grantee.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

09 NCAC 03M .0203 SUBGRANTEE RESPONSIBILITIES

A subgrantee that receives State funds must ensure that those funds are spent for the purpose of the grant and shall expend those funds in compliance with reporting requirements established by this Subchapter. Subgrantees shall:

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- (1) Provide the information required by the grantor agency in order to comply with the procedures for disbursement of grant funds.
- (2) Maintain reports and accounting records that support the allowable expenditure of State funds. All reports and records shall be available for inspection by both the awarding agency and the Office of the State Auditor for oversight, monitoring, and evaluation purposes.
- (3) Ensure that any subgrantees comply with all reporting requirement of the grantee.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

09 NCAC 03M .0204 RESERVED FOR FUTURE CODIFICATION

09 NCAC 03M .0205 REPORTING THRESHOLDS AND FORMATS FOR GRANTEES AND SUBGRANTEES

(a) For the purposes of this Subchapter, there are three reporting thresholds established for grantees and subgrantees receiving State funds. The reporting thresholds are:

- (1) Less than \$25,000 – A grantee that receives, uses, or expends State funds in an amount less than twenty-five thousand dollars (\$25,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including:
 - (A) A certification completed by the grantee Board and management stating that the State funds were received, used, or expended for the purposes for which they were granted; and
 - (B) An accounting of the State funds received, used, or expended.All reporting requirements shall be filed with the funding agency within six months after the end of the grantee's fiscal year in which the State funds were received.
- (2) \$25,000 up to \$500,000 - A grantee that receives, uses, or expends State funds in an amount of at least twenty-five thousand (\$25,000) and up to five hundred thousand dollars (\$500,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including:
 - (A) A certification completed by the grantee Board and management stating that the State funds were received, used, or expended for the purposes for which they were granted;
 - (B) An accounting of the State funds received, used, or expended; and
 - (C) A description of activities and accomplishments undertaken by the grantee with the State funds.All reporting requirements shall be filed with the funding agency within six months after the end of the grantee's fiscal year in which the State funds were received.
- (3) Greater than \$500,000 – A grantee that receives, uses, or expends State funds and in the amount greater than five hundred thousand dollars (\$500,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including:
 - (A) A certification completed by the grantee Board and management stating that the State funds were received, used, or expended for the purposes for which they were granted;
 - (B) An audit prepared and completed by a licensed Certified Public Accountant for the grantee consistent with the reporting requirement of this Subchapter; and

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- (C) A description of activities and accomplishments undertaken by the grantee with the State funds.

All reporting requirements shall be filed with both the funding agency and the Office of the State Auditor within nine months after the end of the grantee's fiscal year in which the State funds were received.

(b) Unless prohibited by law, the costs of audits made in accordance with the provisions of this rule are allowable charges to State and Federal awards. The charges may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in the Office of Budget and Management (OMB) Circular A-87. The cost of any audit not conducted in accordance with this Subchapter is unallowable and shall not be charged to State or Federal grants.

(c) The audit requirements in this Subchapter do not replace a request for submission of audit reports by grantor agencies in connection with requests for direct appropriation of state aid by the General Assembly.

(d) Notwithstanding the provisions of this Subchapter, a grantee may satisfy the reporting requirements of Part (a)(3)(B) of this Rule by submitting a copy of the report required under the federal law with respect to the same funds.

(e) All grantees and subgrantees shall use the forms of the Office of State Budget and Management and of the Office of the State Auditor in making reports to the awarding agencies and the Office of the State Auditor.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

SECTION .0300 - RESPONSIBILITIES OF THE OFFICE OF THE STATE CONTROLLER

09 NCAC 03M .0301 OFFICE OF THE STATE CONTROLLER RESPONSIBILITIES

All grantees receiving State funds shall enter into a disbursing agreement with the Office of the State Controller in accordance with G.S. 143B-426.39 and G.S. 143B-426.40G.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005;
Amended Eff. October 1, 2007.*

SECTION .0400 - RESPONSIBILITIES OF AGENCIES

09 NCAC 03M .0401 AGENCY RESPONSIBILITIES

(a) An agency that receives State funds and disburses those funds to a grantee shall:

- (1) Notify each grantee, at the time the grant is made, of the purpose of the grant and the reporting requirements established in this Subchapter.
- (2) Prior to disbursing any grant funds:
 - (A) register with the Office of State Budget and Management's Community Resources Information System (CRIS); and
 - (B) follow the procedures for disbursement of grant funds.
- (3) Develop compliance supplement reports that describe standards of compliance and audit procedures to give direction to independent auditors. This report shall be provided to the State and Local Government Finance Division with the North Carolina Department of State Treasurer for inclusion in the North Carolina State Compliance Supplement.

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- (4) Provide the Office of the State Auditor with a listing of each grantee to which the agency disbursed State funds during the prior fiscal year by October 31st of each year including detailed information regarding the purpose and amount of the grant awarded.
 - (5) Provide the Office of State Budget and Management with a listing of every grantee to which the agency disbursed State funds during the prior fiscal year by January 31st of each year. This report shall be consistent with the disbursement report previously provided to the Office of the State Auditor including whether the grantee has complied with the reporting requirements established in this Subchapter.
 - (6) Hold grantees accountable for the expenditure of State funds by performing monitoring and oversight functions as required in this Subchapter.
 - (7) Ensure that funds are spent consistent with the purposes for which they were granted.
 - (8) Not disburse funds to grantees that are not in compliance with the reporting requirements for funds received during the prior fiscal year. Agencies shall consult with the Office of State Budget and Management in making this determination.
 - (9) Determine that the applicable reporting requirement has been met by the grantee and that all reports have been completed and submitted. For grantees receiving less than five hundred thousand dollars (\$500,000), the grantor agency shall complete a Certification of Compliance to the Office of the State Auditor.
 - (10) Conduct periodic monitoring reviews to ensure that State awards are used for authorized purposes in compliance with laws, regulations, and the provisions of grant agreements and that performance goals are achieved.
 - (11) Monitor compliance by grantees with all terms of a contract. Upon determination of noncompliance, the agency shall give the grantee 60 days written notice to come into compliance. After the 60-day period, the grantor agency shall:
 - (A) terminate the contract and take action to retrieve unexpended funds or unauthorized expenditures;
 - (B) suspend payments pending negotiation of a plan of corrective action; or
 - (C) offset future payments with the amount improperly spent.
- (b) Each non-State entity shall ensure that subgrantees have complied with the applicable provisions of this Subchapter. Failure to comply with such provisions shall be the basis for an audit exception.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

SECTION .0500 - RESPONSIBILITIES OF THE OFFICE OF THE STATE AUDITOR

09 NCAC 03M .0501 OFFICE OF THE STATE AUDITOR RESPONSIBILITIES

Pursuant to the provisions of this Subchapter, the Office of the State Auditor shall:

- (1) Review submitted audit reports for those grantees receiving more than five hundred thousand dollars (\$500,000) in State funds to determine compliance with applicable reporting standards.
- (2) Maintain grantor agency submitted compliance data for grantees that receive State funds at levels below five hundred thousand dollars (\$500,000) demonstrating that the grantees have met the reporting requirements established by this Subchapter.
- (3) Notify disbursing agencies, by January 31st of each year, of all grantees for which no compliance data has been received.

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- (4) Notify disbursing agencies of any material findings in the audits of grantees throughout the State fiscal year as reports are received.
- (5) Submit a list to the Office of State Budget and Management by January 31st of each year; of each grantee that received State funds in the prior fiscal year including the status of grantee compliance with the reporting requirements.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

**SECTION .0600 - RESPONSIBILITIES OF THE OFFICE OF STATE BUDGET AND
MANAGEMENT**

**09 NCAC 03M .0601 OFFICE OF STATE BUDGET AND MANAGEMENT
RESPONSIBILITIES**

The Office of State Budget and Management shall:

- (1) Provide consultation to agencies as to whether grantees have complied with the required reporting requirements.
- (2) Consult with agencies to ensure that all grantees found in noncompliance have their funding ceased immediately upon that determination and ensure that no further funding will be provided until the grantee is in compliance.
- (3) Maintain a Suspension of Funding list readily accessible to any interested party that identifies any grantee found in noncompliance. This list shall serve as notice to other agencies that no further State grant funding may be provided to that grantee.
- (4) Maintain a Community Resources Information System database to record grant documentation required by this Subchapter.
- (5) In conjunction with the grantor agency, ensure reporting requirements have been met prior to the removal of any grantee from the Suspension of Funding listing. A grantee found in noncompliance may appeal to the Office of State Budget and Management for corrective action and reinstatement from the Suspension of Funding list. Once removed from the Suspension of Funding list, the grantee is eligible for current and future grants of State funds.
- (6) Take administrative action, when the Director of Budget finds that the grantee has spent or encumbered State funds for an unauthorized purpose, which includes reporting criminal violations to the Attorney General and the State Bureau of Investigation.
- (7) If the grant funds are a pass-through of funds granted by an agency of the United States, consult with the granting agency of the United States and the State agency that is the recipient of the pass-through funds prior to taking actions authorized by this Subchapter.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

SECTION .0700 - CONTRACTING, MONITORING, AND OVERSIGHT

09 NCAC 03M .0701 GRANT DOCUMENTATION

In consideration of receiving State funds, the grantee shall sign a contract with the agency that shall contain the obligations of both parties. Prior to disbursing any State funds, each agency shall sign a

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contract with the grantee requiring compliance with the rules in this Subchapter. The requirements of this Rule shall also be applicable to all subgrantee relationships.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

09 NCAC 03M .0702 SUBORDINATION OF OTHER CONTRACTS AGREEMENTS

No contract agreements shall act to eliminate or diminish the requirements contained in this Subchapter.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

09 NCAC 03M .0703 REQUIRED CONTRACT PROVISIONS

Each contract agreement shall contain:

- (1) A specification of the purpose of the grant, services to be provided, objectives to be achieved, and expected results;
- (2) The Source of funds (federal, state, etc.) must be identified (CFDA number if applicable) and percentages included where applicable;
- (3) Account coding information sufficient to provide for tracking of the disbursement through the grantor accounting system;
- (4) Agreement to maintain all grant records for a period of five years or until all audit exceptions have been resolved, whichever is longer;
- (5) Names of all parties to the terms of the contract; for the grantee or subgrantee, including the employer/tax identification number, address, contact information, and the grantee/subgrantee fiscal year end date;
- (6) Signatures indicating authorization by all parties to the terms of the contract;
- (7) Duration of the contract, including the effective and termination dates;
- (8) Amount of the contract and schedule of payment(s);
- (9) Particular duties of the grantee;
- (10) Required reports and reporting deadlines;
- (11) Provisions for termination by mutual consent with 60 days written notice to the other party, or as otherwise provided by law;
- (12) A provision that the awarding of the grants subject to allocation and appropriation of funds to the agency for the purposes set forth in the contract;
- (13) Provision that requires reversion of unexpended funds to the agency upon termination of the contract;
- (14) A provision that requires compliance with the rules and reporting requirements outlined in this Subchapter including audit oversight by the Office of the State Auditor, the provision of access to the accounting records by both the funding entity and the Office of the State Auditor, and availability of audit work papers in the possession of any auditor of any recipient of State funding;
- (15) A clause addressing assignability and subcontracting including the following:
 - (a) the grantee or subgrantee is not relieved of any of the duties and responsibilities of the original contract; and
 - (b) the subgrantee agrees to abide by the standards contained in this Subchapter, and to provide all information to allow the grantee to comply with these standards.

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*History Note: Authority G.S. 143C-6-22; 143C-6-23;
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09 NCAC 03M .0704 GRANT MONITORING AND EVALUATION

(a) Agencies shall ensure that oversight and monitoring of grantee and subgrantees occurs to prevent the misuse of State funds. Grantees and subgrantees shall manage the day-to-day operations of grant-supported activities. Grantors shall monitor grant-supported activities to assure compliance with applicable compliance requirements and that performance goals are being achieved. Grantee monitoring shall cover each program, function or activity. An evaluation must be performed with a comparison of actual accomplishments to the measurable objectives or outcomes established for the grant.

(b) Agencies shall:

- (1) Grant Identification - At the time the grant is made, the agency must provide information to the grantee including the required contract provisions as well as the applicable compliance requirements.
- (2) During the grant period, the agency shall monitor the grantee's use of State awards through reporting, site visits, regular contact, or other means to provide assurance that the grantee administers State funds in compliance with laws, rules, and the provisions of grant agreements and that performance goals are achieved.
- (3) Ensure that subgrantees expending five hundred thousand dollars (\$500,000) or more in State awards during the subgrantee's fiscal year have met the audit requirements of this Subchapter and that the required audits are completed within nine months of the end of the subgrantee's audit period; issue a management decision on audit findings within six months after receipt of the subgrantee's audit report; and ensure that the subgrantee takes timely corrective action on all audit findings.
- (4) Take action using sanctions when a subgrantee has demonstrated a continued inability or unwillingness to provide required audits.
- (5) Evaluate the impact of subgrantee activities on the agency's ability to comply with applicable State rules.
- (6) Evaluate the results and outcomes of the activities and accomplishments of the grantee or subgrantee to determine if results were achieved, the success of the activity, and whether the project activities should continue.

*History Note: Authority G.S. 143C-6-22; 143C-23;
Eff. July 1, 2005.*

SECTION .0800 - SANCTIONS

09 NCAC 03M .0801 NONCOMPLIANCE WITH RULES

(a) When a non-State entity does not comply with the requirements of this Subchapter, the agency shall take measures to ensure that the requirements are met including:

- (1) communicating the requirements to the non-State entity;
- (2) requiring a response from the non-State entity upon a determination of noncompliance; and
- (3) suspend payments to the non-State entity until the non-State entity is in compliance.

(b) Prior to disbursing any State funds, the grantor agency shall verify that the grantee has complied with the reporting requirements for the most recent applicable reporting period. The agency shall consult with the Office of State Budget and Management during this verification process. A grantor agency shall not

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disburse funds to any grantee that has been determined by the grantor agency to be noncompliant with the reporting requirements established by this Subchapter.

(c) If the grantor agency finds that a non-State entity has used State funds for an unauthorized purpose, the grantor agency shall report such findings to the Attorney General, the Office of the State Budget and Management, the Office of the State Auditor, and the Office of the State Controller.

(d) If a grantee has not met the reporting requirements established by this Subchapter and fails to submit revised reports in accordance with a grantor agency determination letter, the grantor agency shall suspend further payments to the grantee and report the grantee to the Office of the State Auditor and the Office of the State Controller.

(e) Each grantor agency shall ensure that grantees and subgrantees have complied with the applicable provisions of this Subchapter.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

09 NCAC 03M .0802 RECOVERY OF STATE FUNDS

(a) The Office of State Budget and Management shall be assisted by the Attorney General in the recovery and return of State funds in the event a grantee or subgrantee:

- (1) is unable to fulfill the obligations of the contractual agreement;
- (2) is unable to accomplish the purposes of the grant;
- (3) is noncompliant with the reporting requirements; or
- (4) has inappropriately used the State funds.

(b) Any apparent violations of a criminal law or malfeasance, misfeasance, or nonfeasance in connection with the use of State funds shall be reported by the Office of State Budget and Management to the Attorney General and State Bureau of Investigation.

*History Note: Authority G.S. 143C-6-22; 143C-6-23;
Eff. July 1, 2005.*

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Expenditure Accounts – 536XXX Aid & Public Assistance

Allocations or distributions of funds to direct recipients, providers or other agencies for some designated program, assistance or special project.

5361AA Public Assistance/Entitlement Payments

Expenditures for medical, rehabilitative and maintenance purposes to direct recipients or providers based on legal formula or special determination. (Example are: Medicaid, AFDC and WIC.)

GOVERNMENTAL

5362AA Cost Reimbursements to Governmental Organizations

Grants and payments to governmental entities for costs incurred on behalf of the State for administration of the public assistance programs which includes funding for discretionary grants for new programs which are continued as cost reimbursements.

5363AA Formula Grants to Governmental Organizations

Funds distributed by the State to governmental organizations based upon a specific formula specified in the grant which governs the distribution amount and the performance criteria.

5364AA Discretionary Grants to Governmental Organizations

Funds distributed by the State to governmental entities based upon annual application or reapplication and criteria established by the provider agency or grantor.

5365AA Statutory Distributions to Governmental Organizations

Ongoing allocations of funds as mandated by General Statute. Example: Tax distributions to local governments and aid to local educational agencies.

5366AA Directed Grants to Governmental Organizations

Funds allocated to governmental entities as directed by the State Legislature.

5367AA Loans to Governmental Organizations

Funds provided to governmental organizations with the anticipation of being repaid as part of the loan contract.

536KAA Educational Awards and Scholarships to Governmental Organizations

Payments to governmental organizations for scholarships, grants, grants-in-aid, traineeships and other similar financial awards for students enrolled in formal course work, either for credit or noncredit. It excludes compensation for services rendered and monetary loans.

(Note – See Accounts 5368XX for Educational Awards and Scholarships to Students in the Nongovernmental Organizations (NGO) section)

5369AA Other Aids and Grants to Governmental Organizations

This classification includes funds not classified in other categories provided to governmental organizations.

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Business-type Activities (proprietary funds) use only the following two 5369 accounts:

536900 Other Aids and Grants to Governmental Organizations

This is classified as an operating expense for proprietary accounting

536999 Other Aids and Grants to Governmental Organizations – Nonoperating

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NONGOVERNMENTAL ORGANIZATIONS (NGOs)

536CAA Cost Reimbursements to NGOs

Grants and payments to nongovernmental entities for costs incurred on behalf of the State for administration of the public assistance programs which includes funding for discretionary grants for new programs which are continued as cost reimbursements.

536DAA Formula Grants to NGOs

Funds distributed by the State to nongovernmental organizations or individuals based upon a specific formula specified in the grant which governs the distribution amount and the performance criteria.

536EAA Discretionary Grants to NGOs

Funds distributed by the State to nongovernmental organizations or individuals based upon annual application or reapplication and criteria established by the provider agency or grantor.

536FAA Statutory Distributions to NGOs

Ongoing allocations of funds to nongovernmental organizations as mandated by General Statute.

536GAA Directed Grants to NGOs

Funds allocated to special interest groups and nongovernmental organizations as directed by the State Legislature.

536HAA Loans to NGOs

Funds provided to nongovernmental organizations and individuals with the anticipation of being repaid as part of the loan contract.

5368 - Educational Awards and Scholarships – see detail accounts below

Payments of scholarships, grants, grants-in-aid, traineeships and other similar financial awards to students enrolled in formal course work, either for credit or noncredit. It excludes compensation for services rendered and monetary loans.

- 536810 Appropriated grants
- 536820 Minority Presence Grants
- 536830 Nursing Emergency Financial Aid
- 536840 Academic Enhancement Scholarship
- 536850 Teachers Scholarships
- 536860 Medical and Dental Grants
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- 536870 Traineeships
- 536875 Graduate Assistant Tuition Awards
- 536880 Incentive Scholarships
- 536881 UNC Campus Scholarships
- 536890 Other Educational Awards
- 536898 High School Access Grants

536JAA Other Aids and Grants to NGOs

This classification includes funds not classified in other categories provided to nongovernmental organizations and individuals.

Business-type Activities (proprietary funds) use only the following two 536J accounts:

536J00 Other Aids and Grants to NGOs

This is classified as an operating expense for proprietary accounting

536J99 Other Aids and Grants to NGOs - Nonoperating